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Title 3—THE PRESIDENT

Executive Order 11175

EXCLUSION FOR ORIGINAL OR NEW CANADIAN ISSUES AS REQUIRED FOR INTERNATIONAL MONETARY STABILITY

By virtue of the authority vested in me by section 4917(a) of the Internal Revenue Code of 1954, as added by section 2 of the Interest Equalization Tax Act, approved September 2, 1964 (Public Law 88–563), by section 301 of title 3 of the United States Code, and as President of the United States, it is hereby determined that the application of the tax imposed by section 4911 of the Internal Revenue Code of 1954, as added by section 2 of the Interest Equalization Tax Act, will have such consequences for Canada as to imperil or threaten to imperil the stability of the international monetary system and it is hereby ordered that the tax imposed by section 4911 of the Internal Revenue Code of 1954 shall not apply to the acquisition by a United States person of stock or a debt obligation of Canada or a political subdivision thereof, any agency or instrumentality of Canada, any corporation, partnership, or trust (other than a company registered under the Investment Company Act of 1940 (54 Stat. 847; 15 U.S.C. 80a–1 to 80a–52)) organized under the laws of Canada or a political subdivision thereof, or any individual resident in Canada, to the extent that such stock or debt obligation is acquired as all or part of an original or new issue as to which there is filed the notice of acquisition prescribed by the Secretary of the Treasury or his delegate. The exemption from tax provided in the preceding sentence shall apply to all acquisitions made during the period commencing on July 19, 1963, and continuing until otherwise provided in an amendment of this order.

The Secretary of the Treasury or his delegate is authorized to prescribe from time to time regulations, rulings, directions, and instructions to carry out the purposes of this order.

This order shall be effective upon its filing for publication in the FEDERAL REGISTER.

LYNDON B. JOHNSON

THE WHITE HOUSE,
September 2, 1964.

[F.R. Doc. 64–9128; Filed, Sept. 4, 1964; 10:46 a.m.]

Executive Order 11176

INSPECTION OF CERTAIN INTEREST EQUALIZATION TAX INFORMATION RETURNS BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM AND THE FEDERAL RESERVE BANKS

By virtue of the authority vested in me by section 6103(a) of the Internal Revenue Code of 1954 (68A Stat. 753; 26 U.S.C. 6103(a)) as amended by section 3 of the Interest Equalization Tax Act, approved September 2, 1964 (Public Law 88–563), it is hereby ordered that any information return made by a commercial bank with respect to loans and commitments to foreign obligors under section 6011(d)(2) of the Internal Revenue Code of 1954, as added by section 3(a) of the Interest Equalization Tax Act, shall be open to inspection by the Board of Governors of the Federal Reserve System and the Federal Reserve Banks in the interest of sound administration of the interest equalization tax. Such inspection shall be in accordance and upon compliance with the rules and regulations prescribed by the Secretary of the Treasury in a Treasury decision, relating to inspection of certain interest equalization tax information returns by the Board of Governors of the Federal Reserve System and the Federal Reserve Banks, approved by me this date.

This order shall be effective upon its filing for publication in the FEDERAL REGISTER.

LYNDON B. JOHNSON

THE WHITE HOUSE,
September 3, 1964.

[F.R. Doc. 64–9133; Filed, Sept. 4, 1964; 11:37 a.m.]

Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Housing and Home Finance Agency

Section 213.3344 is amended to show the exception under Schedule C of one additional position of Assistant to the Congressional Liaison Officer. Effective upon publication in the FEDERAL REGISTER, subparagraph (21) of paragraph (a) of § 213.3344 is amended as set out below.

§ 213.3344 Housing and Home Finance Agency.

(a) *Office of the Administrator.* * * *

(21) Three Assistants to the Congressional Liaison Officer.

* * * * *

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 64-9055; Filed, Sept. 4, 1964; 8:48 a.m.]

PART 213—EXCEPTED SERVICE

Small Business Administration

Section 213.3332 is amended to show that the positions of Assistant Administrator for Management Assistance, Deputy Assistant Administrator for Management Assistance, and a second Assistant Deputy Administrator for Financial Assistance are expected under Schedule C and that another Schedule C postion has been retitled as Assistant Administrator for Economics. Effective upon publication in the FEDERAL REGISTER, paragraphs (f) and (v) of § 213.3332 are amended and paragraphs (z) and (aa) are added as set out below.

§ 213.3332 Small Business Administration.

* * * * *

(f) Assistant Administrator for Economics.

* * * * *

(v) Four Assistant Deputy Administrators.

* * * * *

(z) Assistant Administrator for Management Assistance.

(aa) Deputy Assistant Administrator for Management Assistance.

* * * * *

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–1958 Comp. p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 64-9056; Filed, Sept. 4, 1964; 8:48 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER A—CIVIL AIR REGULATIONS

[Reg. Docket No. 1797; Amdt. 4b-16]

PART 4b—AIRPLANE AIRWORTHINESS; TRANSPORT CATEGORIES

Flutter, Deformation, and Vibration Requirements

This amendment increases the scope of the flutter, deformation, and vibration requirements by providing that the dynamic evaluation of the airplane take into account elastic, inertia, and aerodynamic forces associated with rotations and displacements of the plane of the propeller; and that the airplane, under specified conditions, remain free from hazardous flutter, vibration, and divergence after any reasonably probable single structural failure or equipment malfunction. The details of the amendment were published by the Federal Aviation Agency as a notice of proposed rule making (28 F.R. 6358), circulated to the industry as Notice 63-21 dated June 13, 1963.

Regulations dealing specifically with flutter, deformation, and vibration on transport category airplanes were first introduced when Part 04 (later designated as Part 4b) became effective on November 9, 1945. These regulations evolved into currently effective § 4b.308 with the adoption of two substantive revisions, as follows: (1) Effective March 5, 1952, the requirement that freedom from flutter and divergence be demonstrated at all speeds up to 1.2 V_D was amended to permit this demonstration at speeds up to a value less than 1.2 V_D if the characteristics of the airplane are such that it would be unlikely to attain a speed of 1.2 V_D and if it is shown that a proper margin of damping exists at speed V_D; and (2) effective October 1, 1959, a provision was added requiring that, if control surface flutter dampers are used for flutter prevention, the flutter damper system be of such design that a single failure will not preclude continued safe flight of the airplane at any speed up to V_D.

During the period between 1945 and 1955, § 4b.308 and predecessor regulations generally were effective in insuring freedom from flutter and divergence in transport category airplanes, despite the absence of a provision requiring an investigation of the influence of a single structural failure on flutter stability. A reasonable margin of safety evidently was provided by the required demonstration that the airplane be free from flutter and divergence at speeds up to 1.2 V_D, over the critical ranges of the pertinent parameters.

Subsequently, several reported instances of tab flutter on a transport category airplane led to adoption of the current requirement that tab control systems be free from hazardous flutter after disconnection or failure of any element at speeds up to V_D.

In general, applicants have resorted to analyses in showing compliance with the regulations, supplemented in some cases by flight flutter tests. In the past, such analyses have taken into account, for propeller-driven airplanes, the mass of the engine-propeller combination and the natural frequency of vibration of its suspension, but not the elastic, inertia, and aerodynamic forces associated with the rotations and displacements of the propeller plane. These forces had no significant effect on wing flutter stability.

Two fatal accidents, both involving a four-engine turboprop airplane, focused attention on the hazards associated with aeroelastic instabilities in transport category airplanes. An investigation into the cause of these accidents, and associated engineering studies by both industry and Government, indicated that the various forces associated with the rotations and displacements of the plane of the propeller must be considered in evaluating the flutter and divergence stability of transport category airplanes. The oscillatory motion of the plane of the propeller may itself become unstable, or diverge, or may contribute to instability of the wing. For these reasons, § 4b.308 (a) is amended by adding a requirement that the dynamic evaluation of the airplane include consideration of the effect of significant elastic, inertia, and aerodynamic forces associated with rotations and displacements of the plane of the propeller.

The provisions of present § 4b.308(a) are limited in scope in that they prescribe freedom from flutter and divergence for wing and tail units only; whereas it is well known that the higher speeds of modern transport category airplanes may introduce flutter or divergence in other portions of the airplane. To insure that tests or analyses take this possibility into account, § 4b.308(a) is amended to prescribe freedom from flutter and divergence for all portions of the airplane.

In past application of the term "proper margin of damping" in present § 4b.308 (a), the Agency has indicated that the margin is acceptable if a satisfactory damping coefficient exists for all potential flutter modes at all speeds up to V_D, and if no large and rapid reduction in damping with increased speed is indicated upon approaching V_D. In this regard, § 4b.308(a) is amended to state clearly what is meant by the term "proper margin of damping."

The previously mentioned Government-industry studies also disclosed that severe degradation of the aeroelastic properties of the wing could result from failure of a structural member (including those which form part of the engine itself in the case of turboprop engines) which supports the engine-propeller combination, or from failure of the propeller control system such that overspeeding of the propeller occurs.

In view of these findings, and in view of past findings indicating that failures in tab and damper control elements may result in flutter, the Agency finds there is a need for a comprehensive set of requirements dealing with the effect of probable failures on flutter stability. The Agency has noted, for example, that hazardous flutter may be induced by any failure reducing the rigidity of irreversible main control systems which are fitted with power boost; by a failure in the power boost itself; by a failure or malfunction of an automatic flight control system; or by failure or partial failure of single principal structural elements. Therefore, a new paragraph (d) is added to § 4b.308 to require that the airplane be free of flutter, after specified failures or malfunctions, at all speeds up to V_D.

In general, the comments received on Notice 63-21 either were favorable or offered no objection to the main objectives of the proposal, although a number of detailed revisions were suggested. Among these was an objection to the notice of proposed rule making, which opposed increasing the scope and detail of the regulations. The comment also indicated that airframe manufacturers will comply voluntarily with the basic requirements in the proposal. The Agency does not consider this objection valid since the purpose of the rule change is to establish and record in the Civil Air Regulations the minimum standards which should apply to this area of flight safety.

A recommendation was made to revise the first sentence of § 4b.308(a) to apply to the airframe instead of the airplane since the latter could be interpreted to include all minor protruding items. The Agency does not agree since the airframe is not sufficiently inclusive to account for the engine-propeller combination which is of prime importance in this amendment. The intent of the proposal is to prevent a single failure from causing flutter in any structural component that could result in destruction of the airplane. It is not intended that minor protruding items be treated any differently under the proposal than under the currently effective requirements which limit the scope of the flutter investigation to the wing, tail, and control surfaces.

In discussing § 4b.308(a), a comment indicated that a damping coefficient is superfluous since no quantitative value for the required damping is included. The Agency does not agree. Although a minimum value of damping coefficient cannot be established as a standard for all cases, the damping coefficient still remains a necessary measure of flutter stability in individual cases whether analytical or experimental results are quoted.

Another comment suggested that maximum weight and mass distribution be considered in flutter criteria, and that § 4b.308(a) require flight test demonstration either of the absence of flutter or that sufficient margins exist with fuel and other movable mass distributed to give the lowest natural frequencies of the aircraft. The requirements have general application with respect to gross weight and mass distribution. Furthermore, the lowest natural frequencies of the airplane do not necessarily represent the most unstable flutter configuration. Therefore, the suggestion is not accepted.

Fail-safe criteria being added to § 4b.308 by new paragraph (d), which prompted the suggestion that this paragraph be subdivided into two new paragraphs, Fail-Safe Criteria and Alternatives to Fail-Safe Criteria. The Agency does not concur since alternative provisions (negligible probability of failure) are not applicable to all failures listed.

A comment objected to § 4b.308(d) (1) and (2) because data has not been presented to justify applying the failure concept to engine structure and engine supporting structure. As previously mentioned, this regulatory action stemmed from the results of the investigation of two fatal accidents involving turboprop airplanes. These results alerted the aircraft industry to the possibility that the propeller whirl mode could alter significantly the wing aeroelastic stability. Section 4b.270 presently requires that consideration beyond the basic strength requirements and fatigue substantiation must be given to those areas where partial structural failure would have catastrophic effect. Wing flutter is a catastrophic in most cases. Therefore, since failure of a turboprop engine or its supporting structure, via the resulting loss in propeller support rigidity, could result in wing flutter, the Agency finds that the amendment is justified.

New § 4b.308(d) includes the phrases "reasonably probable single failure" and "probability of their occurrence is negligible" which were objected to because they are difficult to interpret consistently and would result in differences of opinion between Agency regions as to verification requirements. The comment assumed that compliance with Part 4b basic structural requirements provides a negligible probability of failure. The comment further states that a more specific definition of the phrase "conservative static strength margin" is needed if the implication is that margins greater than Part 4b requirements are required. The purpose of this amendment is to prevent the possibility that a single structural failure could lead to flutter and subsequent destruction of the airplane. The fail-safe provisions recognize a finite probability of the failure of individual elements and provide for demonstrating that structural elements are so conservatively designed that the effects of their failure need not be considered. The particular phrases quoted are to provide for such demonstrations. The final rule retains these phrases since they properly indicate the intent. The assumption of the relation between Part 4b compliance and probability of failure is not correct. Section 4b.270(b) already provides for protection against failures in primary structure areas such as wing, fuselage, etc., without regard to static margin of safety. The proposal concerning a conservative static strength margin is part of the provision for not having to evaluate individual failures, but minimum values of static margin cannot be established to apply to all cases. It will depend on the particular installation, type of airplane, previous experience, and the relative significance of fatigue loads to static loads.

Another comment stated that the maximum speed for flight test substantiation in § 4b.308(d) should be V_{MO} rather than V_{FC} since V_{MO} is compatible with the fail-safe criteria of § 4b.270(b), and that test demonstration of good damping at V_{MO} should be an adequate procedure for insuring a safe airplane. The Agency does not agree since the V_{MO}, particularly for turbine-powered airplanes, may be expected in service during a high percentage of flights. Flutter is usually expected to be approached most closely at the highest flight speed. The strength provisions of § 4b.270(b) provide margins against failure by requiring design to accelerated flight conditions, but flutter can occur in level unaccelerated flight. Hence, the only safety margin against flutter is a margin in speed, and the value of V_{FC} is adopted to provide this margin. It is noted that the speed used for flight flutter test verification of freedom from flutter is V_D, but a lesser speed, V_{FC}, is required for failure cases.

Several comments suggested that the second sentence of proposed § 4b.308(d) be revised to begin "The structural failures described in subparagraphs (1), (2), and (7) * * *" to permit the alternative provisions (negligible probability of failure) of safe life compliance for control systems under subparagraph (7). Part 4b currently requires consideration of a failed or disconnected tab control system and flutter damper system. The need for these fail-safe provisions was established on the basis of service experience, and the suggested reduction in the degree of compliance has not been justified. Subparagraph (6) of § 4b.308(d) (proposed subparagraph (7)) is amended to extend this same fail-safe provision to the main control system, based on hazards introduced by the increased complexities of main control systems, use of hydraulic and electric powered controls, and use of a wider scope of automatic control functioning. Therefore, the suggestion is not accepted.

A comment indicated that in the last sentence of the introductory paragraph of proposed § 4b.308(d) it is not logical to require conservative static strength margins in addition to substantiating the fatigue strength. The intent is that adequate static or fatigue strength may be used to substantiate a particular element, and the final rule is clarified in this respect.

A comment suggested that proposed § 4b.308(d)(2) be deleted as being unreasonable and incapable of compliance by the airplane manufacturer, since he has no control over the engine design. This suggestion is not accepted since the airplane manufacturer must provide a complete airplane type design that meets the requirements of the applicable airworthiness regulations, including the engine installation. Furthermore, the proposed requirement has been a special design condition applicable to airplane type certification since the subject came to light in the engineering studies during investigation of the aforementioned accidents. It presented no difficulties to the airplane manufacturers.

In further regard to proposed § 4b.308(d)(2), a second comment suggested that it be reworded to include only those structural failures of the engine that can affect the support stiffness of the engine-propeller combination. The Agency agrees that the suggested clarification is consistent with the intent of the proposal and that some limitation can be placed on the extent of consideration of a failed engine. The final rule is clarified by limiting the failures to those which would reduce the yaw or pitch rigidity of the propeller rotational axis.

A number of comments were received concerning the effect of feathered propellers in proposed § 4b.308(d)(3). Some comments requested clarification of the intent, and others pertained to the number of feathered propellers to be considered. Regarding clarification of intent, the rule is to insure that, with elimination of the propeller aerodynamic forces from one propeller, the basic aircraft structure is free from flutter. The aerodynamic forces from the propeller whirl mode can be shown to stabilize a wing flutter mode. Hence, in the normal condition, with all propellers rotating, it can be assumed that there are resultant propeller aerodynamic forces present which influence the wing flutter mode.

As a fail-safe condition, therefore, the airplane must remain free from flutter up to V_D with these aerodynamic forces removed from one feathered propeller. The final rule is clarified in this respect. Regarding the number of feathered propellers to be considered, comments from the Aerospace Industries Association of America (AIA), which represents the aircraft manufacturing industry, indicated that normal rotating propellers have a tendency to introduce stabilizing forces which may alleviate a flutter condition. In the past, airplanes were designed conservatively without full consideration being given to this alleviating factor. The AIA considers that consideration of only one feathered propeller may not be sufficiently conservative. The agency agrees that the proposal was technically insufficient in this respect. The rule, therefore, as adopted provides that, for four or more engine airplanes, an additional investigation must be made for the critical combination of two propellers feathered.

A related comment stated that some clarification is necessary in the application of § 4b.308(d)(4), as proposed, relative to the pairing of the feathered propeller condition with other failure cases, and suggested that proposed § 4b.308(d)(4) and (5) be combined with § 4b.308(d)(3) and paired with other single failures related to direct loss in propeller support stiffness. The intent of proposed § 4b.308(d)(4) was to insure that flutter stability does not rely on the stabilizing effects of propeller aerodynamic forces in the propeller whirl mode. The airplane should be free from flutter to at least V_D with propellers rotating or stopped, and this should apply to both the basic airplane and to the failure cases where reliance upon fully available propeller aerodynamic forces otherwise might be made to establish flutter stability. The notice proposed pairing the feathered condition with § 4b.308(d)(1) and (2), since these contain failure areas whose flutter stability most likely could be augmented by propeller aerodynamic forces under conditions where propeller feathering could be expected. The agency agrees that some clarification should be made and the final rule is amended to combine proposed § 4b.308(d)(3) and (4) as suggested. On the other hand, the additional inclusion of § 4b.308(d)(5) in the subparagraph would combine the case of an overspeeding propeller with other failures, which not only is unnecessary as a minimum standard but also is a substantive change from the proposal and would require issuance of another notice.

With regard to § 4b.308(d)(5) (proposed subparagraph (6)), one comment indicated that clarification is needed since it appears to negate the alternate provisions for safe life compliance for failures under § 4b.308(d)(1) and (2). A second comment questioned why only § 4b.270(b) is quoted but not the safe life alternative of § 4b.270(a). Evidently, there is some misunderstanding regarding engine failures since current fatigue requirements in § 4b.270 and associated CAM 4b.270–1 make no reference to the engine. Furthermore, proposed § 4b.308(d)(6) referred only to failures for which compliance with § 4b.270(b) is required. This would not require consideration of a failure if fatigue substantiation was by the safe life method under § 4b.270(a). Notwithstanding this, the final rule is amended to clarify the applicability of § 4b.308(d)(5) to only those parts for which compliance with the alternative provisions of § 4b.270(b) is selected.

Several comments expressed concern that § 4b.308(d)(5), as amended, an excessive amount of costly detailed analysis and testing to show literal compliance for each particular failure case, and recommended that provision be made for suitable alternate courses. One comment went on to suggest that allowance be made to permit assuming a given percentage loss in stiffness accompanied by a percentage adverse movement of the flexural axis in either one or two areas to bracket the effect of many different discrete assumed failures. The comments obviously are concerned that "failure of each principal structural element * * *" will literally require separate analyses or tests for each discrete failure case. This would excessively burden an analysis problem already in itself extensively complicated. It appears both reasonable and appropriate, however, that overall stiffness and nodal displacement investigations could be applied in evaluating the effects of discrete failures. Nevertheless, the comments express concern that the proposed wording may not allow this approach and confirm a need for a specific procedure within the rule. Therefore, the final rule is revised to include this acceptable procedure.

An objection was made to applying proposed § 4b.308(d)(7) (amended subparagraph (6)) to investigations of autopilot oscillatory signals and control system package chatter, and stated that more experience needs to be gained with this matter before attempting to cover it in the regulations. The comment continued that when and if a rule ultimately is adopted it should contain at least enough detail to identify and define properly the intended design condition. The wording is written clearly through inclusion of the reference "(See also § 4b.612(d)(4).)" to indicate that failures, malfunctions, and adverse conditions involving the autopilot should not result in flutter, divergence, or vibrations which could preclude safe flight. The amendment is general and objective in nature as are the special conditions on this subject which have been applied to recently type certificated jet transport airplanes. The service records of oscillatory c.g. loadings, such as appear in NASA TN–1390, and more recent accident or near-accident investigations, have drawn increased attention to a need for analyzing the effects of automatic control system malfunctioning for oscillatory as well as hardover effects. In reviewing the special conditions on this subject which have been applied in the past, it is noted that the oscillatory force effects of failures and malfunctions in the automatic control system have been investigated over the operating range of the airplanes and not up to V_D. A distinction is made between the highest speed at which the more destructive phenomena of flutter and divergence are substantiated and the speed at which forced vibrations result from a malfunctioning automatic control system. Therefore, the final rule includes the proposed § 4b.308(d)(7), but amended § 4b.308(d)(6) is revised to permit limiting the airspeed to V_C.

Some comments were received concerning areas which are not the subject of regulation changes proposed in the notice and they are not considered in the final rule.

Interested persons have been afforded an opportunity to participate in the mak-

ing of this amendment and due consideration has been given to all relevant matter presented.

These amendments are made under the authority of sections 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354, 1421, 1423).

In consideration of the foregoing, Part 4b of the Civil Air Regulations (14 CFR Part 4b, as amended) is hereby amended as follows, effective October 5, 1964:

By amending § 4b.308(a) and adding a new paragraph (d) to read as follows:

§ 4b.308 Flutter, deformation, and vibration.

* * * * *

(a) *Flutter and divergence prevention.* The airplane shall be designed to be free from flutter and divergence (i.e., unstable structural distortion due to aerodynamic loading) at all speeds up to 1.2 V_D. A smaller margin above V_D shall be acceptable if the characteristics of the airplane (including the effects of compressibility) render a speed of 1.2 V_D unlikely to be achieved, and if it is shown that a satisfactory damping coefficient exists at all speeds up to V_D and that there is no large and rapid reduction in damping as V_D is approached. In the absence of more accurate data, the terminal velocity in a dive of 30 degrees to the horizontal shall be acceptable as the maximum speed likely to be achieved. If concentrated balance weights are used on control surfaces, their effectiveness and strength, including supporting structure, shall be substantiated. The dynamic evaluation of the airplane shall include an investigation of the significant elastic, inertia, and aerodynamic forces associated with the rotations and displacements of the plane of the propeller.

* * * * *

(d) *Fail-safe criteria.* It shall be shown, by analyses or tests, that the airplane will remain free from such flutter, divergence, or vibrations as would preclude safe flight, at all speeds up to V_D, after each of the failures, malfunctions, and adverse conditions stated in subparagraphs (1) through (6) of this paragraph, and after any other reasonably probable single failure, malfunctions, or adverse condition affecting flutter, divergence, or vibration; except that, if the failure, malfunction, or adverse condition is simulated during flight tests to show compliance with this paragraph, the maximum speed investigated need not exceed V_{FC} when it is shown, by correlation of the flight test data with other test data or analyses, that hazardous flutter, divergence, or vibration will not occur at all speeds up to V_D. The structural failures described in subparagraphs (1) and (2) of this paragraph need not be considered in showing compliance with this paragraph if engineering data verify that the probability of their occurrence is negligible. Such engineering data shall substantiate, by test or analysis, that the structural element is designed with conservative static strength margins for all ground and flight loading conditions specified in this part or with fatigue strength sufficient for the loading spectrum expected in service.

(1) Failure of any single element of the structure supporting any engine, independently mounted propeller shaft, large auxiliary power unit, or large externally mounted aerodynamic body such as an external fuel tank.

(2) Any single failure of the engine structure on turbo-propeller airplanes which would reduce the yaw or pitch rigidity of the propeller rotational axis.

(3) Absence of propeller aerodynamic forces resulting from the feathering of any single propeller, and also for airplanes with four or more engines, the feathering of the critical combination of two propellers. In addition, any single propeller feathered shall be paired with the failures specified in subparagraph (1) of this paragraph involving failure of any single element of the structure supporting any engine or independently mounted propeller shaft and the failures covered in subparagraph (2) of this paragraph.

(4) Any single propeller rotating at the highest likely overspeed.

(5) Failure of each principal structural element for which compliance with the alternative provisions of § 4b.270(b) is selected. Safety following a failure may be substantiated by showing that possible losses in rigidity or changes in frequency, modal form, or damping, resulting from the failure, are within the general parameter variations covered in the flutter and divergence investigations.

(6) Failure, malfunction, or disconnection of any single element in the main flight control system (including automatic flight control systems, if installed), in any tab control system, or in any flutter damper connected to a control surface or tab. (See also § 4b.612 (d)(4).) Investigation of the forced structural vibrations, other than flutter resulting from failures, malfunctions, or adverse conditions in the automatic flight control system, may be limited to airspeeds up to V_C.

Issued in Washington, D.C., on August 31, 1964.

N. E. HALABY,
Administrator.

[F.R. Doc. 64-9013; Filed, Sept. 4, 1964; 8:45 a.m.]

SUBCHAPTER E—AIRSPACE [NEW]

[Airspace Docket No. 64-PC-1]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Designation of Federal Airway

On May 28, 1964, a notice of proposed rule making was published in the FEDERAL REGISTER (29 F.R. 7028) and stated that the Federal Aviation Agency was considering an amendment to Part 71 [New] of the Federal Aviation Regulations which would designate VOR Federal airway No. 5 from the intersection of Lanai, Hawaii 118° and Maui, Hawaii 179° True radials via the intersection of Lanai 140° and Maui 179° True radials to the intersection of Lanai, 140° and Upolu Point, Hawaii 211° True radials, excluding the airspace below 1200 feet above the surface.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. Due consideration was given to all relevant matter presented.

Hawaiian Airlines suggested that Victor 5 be designated from the Lanai VOR direct to the Kona intersection for use when the Department of the Navy releases R-3104 for other use. As an alternate airway for operation between Lanai and Kona when R-3104 is in use, they suggest that VOR Federal airway No. 1 be realigned from Harpoon intersection via its present alignment through Lava intersection to its intersection with the propsed direct alignment, of Victor 5 between Lanai and Kona. Both proposals have merit. However, R-3104 is seldom released by the Navy during daylight hours, the hours of greatest use of the Hawaiian airway system. In addition, the proposed alignments of both airways would place portions of the airways within Warning Area W-320 (Area B). The Agency is at present negotiating with the Navy for joint use of the warning areas. In addition, the Agency is considering the realignment of Victor 1 between Maui and Kahoolawe which would eliminate the sharp turns required to navigate Victor 1 at present.

In consideration of the foregoing, Part 71 [New] of the Federal Aviation Regulations is amended, effective 0001 e.s.t., November 12, 1964, as hereinafter set forth.

In § 71.127 (29 F.R. 1047), V-5 is added as follows:

V-5 From the INT of Lanai, Hawaii, 118° and Maui, Hawaii, 179° radials, via INT Maui 179° and Lanai 140° radials; to INT Lanai 140° and Upolu Point, Hawaii 211° radials, excluding the airspace below 1,200 feet above the surface.

This amendment is made under the authority of sections 307(a) and 1110 of the Federal Aviation Act of 1958 (49 U.S.C. 1348 and 1510) and Executive Order 10854 (24 F.R. 9565).

Issued in Washington, D.C., on August 31, 1964.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 64-9014; Filed, Sept. 4, 1964; 8:45 a.m.]

[Airspace Docket No. 64-PC-3]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Revocation of Federal Airway

On June 13, 1964, a notice of proposed rule making was published in the FEDERAL REGISTER (29 F.R. 7604) and stated that the Federal Aviation Agency was considering an amendment to the Federal Aviation Regulations which would revoke Amber Federal airway No. 11 from the intersection of the south course of the Maui, Hawaii, Radio Range and the west course of the Hilo, Hawaii, Radio Range to the intersection of the north course of the Maui Radio Range and a point 38 miles north of the Maui Radio Range.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments but no comments were received.

In consideration of the foregoing, Part 71 [New] of the Federal Aviation Regulations is amended, effective 0001 e.s.t., November 12, 1964, as hereinafter set forth.

In § 71.105 (29 F.R. 1006), A–11 is revoked.

This amendment is made under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on August 31, 1964.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 64–9015; Filed, Sept. 4, 1964; 8:45 a.m.]

[Airspace Docket No. 64–WA–49]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Revocation of Reporting Point

The purpose of this amendment to Part 71 [New] of the Federal Aviation Regulations is to revoke the Flippin, Ark., reporting point. This action was inadvertently omitted from Airspace Docket No. 63–SW–110 which was published in the FEDERAL REGISTER on July 23, 1964 (29 F.R. 9893).

Since this amendment is procedural in nature and imposes no additional burden on any person, notice and public procedure hereon are unnecessary and the amendment may be made effective immediately.

In consideration of the foregoing, Part 71 [New] of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth. In § 71.207 (29 F.R. 1223) the Flippin, Ark., domestic high altitude reporting point is revoked.

This amendment is made under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on August 31, 1964.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 64–9016; Filed, Sept. 4, 1964; 8:45 a.m.]

[Airspace Docket No. 63–SO–73]

PART 73—SPECIAL USE AIRSPACE [NEW]

Designation of Restricted Area

On June 9, 1964 a notice of proposed rule making was published in the FEDERAL REGISTER (29 F.R. 7429) stating that the Federal Aviation Agency proposed to designate a joint use restricted area south of Pascagoula, Miss.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. Due consideration was given to all relevant matter presented. The National Pilots Association requested that the eastern boundary be adjusted to provide unrestricted airspace over an airport at Fort Morgan, Ala. The restricted area, as proposed, included a floor of 1,000 feet MSL, and the proposed eastern boundary does not extend over this airport, therefore the restricted area will not restrict access to the airport.

In consideration of the foregoing, Part 73 [New] of the Federal Aviation Regulations is amended, effective 0001 e.s.t., November 12, 1964, as hereinafter set forth.

In § 73.44 (29 F.R. 1260) the following is added:

R–4402 Pascagoula, Miss.

Boundaries. Beginning at latitude 30°14'–00" N., longitude 88°01'30" W; to latitude 30°09'15" N., longitude 88°01'30" W.; thence three nautical miles from and parallel to the shoreline to latitude 30°11'00" N., longitude 88°41'40" W.; to latitude 30°16'00" N., longitude 88°32'30" W.; to latitude 30°18'00" N., longitude 88°11'30" W.; to the point of beginning.

Designated altitudes. 1,000 feet MSL to 23,500 feet MSL.

Time of designation. Sunrise to sunset.

Controlling agency. Federal Aviation Agency, New Orleans ARTC Center.

Using agency. Commander, Brookley AFB, Ala.

These amendments are made under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on August 31, 1964.

LEE E. WARREN,
Director, Air Traffic Service.

[F.R. Doc. 64–9017; Filed, Sept. 4, 1964; 8:45 a.m.]

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 6194; Amdt. 806]

PART 507—AIRWORTHINESS DIRECTIVES

Boeing Models 707 and 720 Series Aircraft

Amendment 717, 29 F.R. 5339, AD 64–9–2, requires inspection and lubrication of the elevator balance panels and panel track grips on Boeing Models 707 and 720 Series aircraft. Investigation of a request for extension of the lubrication intervals required by Amendment 717 showed that extensions based on good service experience could be granted without affecting the level of safety. Therefore, Amendment 717 is being revised accordingly.

Since this amendment relieves a previous requirement and imposes no additional burden on any person, notice and public procedure hereon are unnecessary and the amendment may be made effective upon publication in the FEDERAL REGISTER.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 507.10(a) of Part 507 (14 CFR Part 507), is amended as follows:

Amendment 717, 29 F.R. 5339, AD 64–9–2, Boeing Models 707 and 720 Series aircraft, is amended by changing the inspection interval in the paragraph preceding paragraph (a) from "and thereafter at intervals not exceeding 600 hours' time in service", to "and thereafter at intervals not exceeding 1,200 hours' time in service".

This amendment shall become effective September 4, 1964.

(Secs. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on August 28, 1964.

JAMES F. RUDOLPH,
Acting Director, Flight Standards Service.

[F.R. Doc. 64–9018; Filed, Sept. 4, 1964; 8:45 a.m.]

[Reg. Docket No. 6195; Amdt. 807]

PART 507—AIRWORTHINESS DIRECTIVES

Pratt & Whitney R–2800 Series Engines

Amendment 724, 29 F.R. 5887, AD 64–10–5, requires replacement of certain exhaust valves in Pratt & Whitney R–2800 Series engines within 800 hours' time in service. Subsequent investigation of the failures which prompted the AD revealed that the failure rate was not critical and the majority of the failures occurred in engines utilized by one particular operator. The Agency feels that the compliance time can be extended without adversely affecting safety. Accordingly, Amendment 724 is being amended to change the compliance time from 800 hours' time in service to 1,400 hours' time in service.

Since this amendment is relieving in nature and imposes no additional burden on any person, notice and public procedure hereon are unnecessary and the amendment may be made effective upon publication in the FEDERAL REGISTER.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 507.10(a) of Part 507 (14 CFR Part 507), is amended as follows:

Amendment 724, 29 F.R. 5887, AD 64–10–5, Pratt & Whitney R–2800 Series engines, is amended by changing the compliance statement to read:

Compliance required within 1,400 hours' time in service after the effective date of this AD.

This amendment shall become effective September 4, 1964.

(Secs. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on August 28, 1964.

JAMES F. RUDOLPH,
Acting Director, Flight Standards Service.

[F.R. Doc. 64–9019; Filed, Sept. 4, 1964; 8:45 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

PART 121—FOOD ADDITIVES

Subpart C—Food Additives Permitted in Feed and Drinking Water of Animals or for the Treatment of Food-Producing Animals

Subpart D—Food Additives Permitted in Food for Human Consumption

PART 146—GENERAL REGULATIONS FOR THE CERTIFICATION OF ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

Procaine, Penicillin, Bacitracin, Bacitracin Methylene Disalicyate, Zinc Bacitracin, Streptomycin Sulfate, Hygromycin B, Amprolium

I. There was published in the FEDERAL REGISTER of March 11, 1964 (29 F.R. 3232), a notice of proposal to amend the food additive regulations by adding to Subpart C a new § 121.256 *Procaine penicillin* and by making appropriate amendments of §§ 121.232, 121.233, and 121.252. After publication of the notice, comments were received from Merck Chemical Division, Merck and Co., Inc., Rahway, N.J., specifying with particularity certain changes that they felt should be made.

The Commissioner of Food and Drugs has evaluated the comments and other relevant material and has concluded that the following requested changes in § 121.256 should be made: In paragraph (d), table 1, item 2.1 is changed to provide for a combination of penicillin plus streptomycin in a range of from 22.5 grams to 50 grams per ton of feed for maintaining or increasing egg production in chickens; also in table 1, wherever the term "complicated chronic respiratory disease" occurs, the word "complicated" is deleted.

The Commissioner has also concluded, based upon data submitted in petitions (FAP 1202, 1284) filed by Merck Chemical Division, and other relevant material, that the proposal should be changed to provide for the safe use of combinations of penicillin plus streptomycin in chicken and turkey feeds in a range from 90 to 180 grams per ton for certain specified conditions, and in swine feed from 90 to 270 grams per ton for certain specified conditions.

Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409, 72 Stat. 1785; 21 U.S.C. 348), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.90; 29 F.R. 471), Part 121 is amended, as hereinafter set forth, by adding to Subpart C proposed § 121.256, as modified; by adopting without change the proposed amendments to §§ 121.232 and 121.252; and by changing §§ 121.210 and 121.213 to provide a range of penicillin plus streptomycin in specified combinations and to insert appropriate cross-references.

1. Section 121.210 is amended by changing, in table 1 of paragraph (c), the items 1.1g, 2.2 j and k, and 3.1 j and k to read as follows:

§ 121.210 Amprolium.

* * * * *

(c) * * *

TABLE 1—AMPROLIUM IN COMPLETE CHICKEN AND TURKEY FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1.1 * * *					
g. 1.1	113.5-227	Penicillin plus streptomycin.	90-180	For turkeys; § 121.256(d), table 1, item 7.1.	§ 121.256(d), table 1, item 7.1.
* * *	* * *	* * *	* * *	* * *	* * *
2.2 * * *					
j. 2.1 or 2.2	113.5-227	Penicillin plus streptomycin.	90-180	For broiler chickens; not for laying chickens; § 121.256(d), table 1, item 5.1.	§ 121.256(d), table 1, item 5.1.
k. 2.1 or 2.2	113.5-227	Penicillin plus streptomycin.	90-180	For chicks; § 121.256(d), table 1, item 8.1.	§ 121.256(d), table 1, item 8.1.
* * *	* * *	* * *	* * *	* * *	* * *
3.1 * * *					
j. 3.1	36.3-113.5	Penicillin plus streptomycin.	90-180	For replacement chickens; not for laying chickens; § 121.256(d), table 1, item 5.1.	§ 121.256(d), table 1, item 5.1.
k. 3.1	36.3-113.5	Penicillin plus streptomycin.	90-180	For chicks; § 121.256(d), table 1, item 8.1.	§ 121.256(d), table 1, item 8.1

* * * * * * *

2. Section 121.213 is amended by changing item 1.j. in table 1 of paragraph (d) to provide a range of 22.5–180 grams per ton of penicillin plus streptomycin and, as amended, this item reads as follows:

§ 121.213 Hygromycin B.

* * * * * * *

(d) * * *

TABLE 1—HYGROMYCIN B IN COMPLETE CHICKEN FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1. * * *	* * *	* * *	* * *	* * *	* * *
j. Hygromycin B.	8.0-12.0	Penicillin + streptomycin.	22.5-180	§ 121.256(d), table 1, items 2.1, 5.1, 6.1, 8.1.	§ 121.256(d), table 1, items 2.1, 5.1, 6.1, 8.1.

* * * * * * *

3. Section 121.232 is amended by designating the table in paragraph (d) as Table 1—Bacitracin in Complete Chicken and Turkey Feed, by changing the text in the limitations column in items 6.2, 7.2, and 8.2 in that table, and by adding to paragraph (d) a new table 2, as follows:

§ 121.232 Bacitracin.

* * * * * * *

(d) * * *

TABLE 1—BACITRACIN IN COMPLETE CHICKEN AND TURKEY FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
* * *	* * *	* * *	* * *	* * *	* * *
6.2 Bacitracin + penicillin.	100-500			For chickens; 100-500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin except that it contains not more than 125 gm. of penicillin; as procaine penicillin + bacitracin.	Do.
* * *	* * *	* * *	* * *	* * *	* * *
7.2 Bacitracin + penicillin.	100-500			For chicks; in starter ration; 100-500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin except that it contains not more than 125 gm. of penicillin; as procaine penicillin + bacitracin.	Do.
* * *	* * *	* * *	* * *	* * *	* * *
8.2 Bacitracin + penicillin.	100-500			For turkeys; 100-500 gm. of combination, containing not less than 50 percent nor more more than 75 percent of bacitracin except that it contains not more than 125 gm. of penicillin; as procaine penicillin + bacitracin.	Do.

TABLE 2—BACITRACIN IN COMPLETE SWINE FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1.1 Bacitracin	50–100			For swine; as bacitracin	Aid in the prevention of bacterial swine enteritis.
1.2 Bacitracin + penicillin.	50–100			For swine; 50–100 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin; as bacitracin + procaine penicillin.	Do.
2.1 Bacitracin	100			For swine; as bacitracin	Treatment of bacterial swine enteritis.
2.2 Bacitracin + penicillin.	100			For swine; 100 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin; as bacitracin + procaine penicillin.	Do.

* * * * * * *

4. Section 121.233 is amended by designating the table in paragraph (d) as Table 1—Zinc Bacitracin in Complete Chicken and Turkey Feed, by changing the text in the limitations column in items 6.2, 7.2, and 8.2 in that table, and by adding to paragraph (d) a new table 2, as follows:

§ 121.233 Zinc bacitracin.

* * * * * * *

(d) * * *

TABLE 1—ZINC BACITRACIN IN COMPLETE CHICKEN AND TURKEY FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
* * *	* * *	* * *	* * *	* * *	* * *
6.2 Bacitracin + penicillin.	100–500			For chickens; 100–500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin except that it contains not more than 125 gm. of penicillin; as procaine penicillin + zinc bacitracin.	Do.
* * *	* * *	* * *	* * *	* * *	* * *
7.2 Bacitracin + penicillin.	100–500			For chicks; in starter ration; 100–500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin except that it contains not more than 125 gm. of penicillin; as procaine penicillin + zinc bacitracin.	Do.
* * *	* * *	* * *	* * *	* * *	* * *
8.2 Bacitracin + penicillin.	100–500			For turkeys; 100–500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin except that it contains not more than 125 gm. of penicillin; as procaine penicillin + zinc bacitracin.	Do.

TABLE 2—ZINC BACITRACIN IN COMPLETE SWINE FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1.1 Bacitracin	50–100			For swine; as zinc bacitracin	Aid in the prevention of bacterial swine enteritis.
1.2 Bacitracin + penicillin.	50–100			For swine; 50–100 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin; as zinc bacitracin + procaine penicillin.	Do.
2.1 Bacitracin	100			For swine; as zinc bacitracin	Treatment of bacteria swine enteritis.
2.2 Bacitracin + penicillin.	100			For swine; 100 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin; as zinc bacitracin + procaine penicillin.	Do.

* * * * * * *

5. Section 121.252 is amended by designating the table in paragraph (d) as Table 1—Bacitracin Methylene Disalicylate in Complete Chicken and Turkey Feed, and by adding to paragraph (d) a new table 2, as follows:

§ 121.252 Bacitracin methylene disalicylate.

* * * * * * *

(d) * * *

TABLE 2—BACITRACIN METHYLENE DISALICYLATE IN COMPLETE SWINE FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1.1 Bacitracin	50–100			For swine; as bacitracin methylene disalicylate.	Aid in the prevention of bacterial swine enteritis.
1.2 Bacitracin + penicillin.	50–100			For swine; 50–100 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin; as bacitracin methylene disalicylate + procaine penicillin.	Do.
2.1 Bacitracin	100			For swine; as bacitracin methylene disalicylate.	Treatment of bacterial swine enteritis.
2.2 Bactracin + penicillin.	100			For swine; 100 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin; as bacitracin methylene disalicylate + procaine penicillin.	Do.

* * * * *

6. Part 121 is amended by adding to Subpart C the following new section:

§ 121.256 Procaine penicillin.

The food additive procaine penicillin may be safely used in accordance with the following prescribed conditions:

(a) Procaine penicillin is the procaine salt of the antibiotic substance produced by the growth of *Penicillium notatum* or *Penicillium chrysogenum* or the same antibiotic substance produced by any other means, and for the purposes of this Part 121 refers to procaine penicillin or feed-grade procaine penicillin.

(b) The antibiotic activities authorized are expressed in this section in terms of the weight of the appropriate antibiotic standard.

(c) Permitted uses of procaine penicillin alone and with certain other additives in medicated feeds are described in tabular form in this section and the tables are to be read as follows:

(1) The numbered line items establish the required limitations and indications for use of the principal ingredient as the medicament alone, or with another ingredient added.

(2) The lettered line items establish the required limitations and indications for use of secondary ingredients that may be added to the principal ingredients indicated by the numbered entry in the "principal ingredient" column. Where principal and secondary ingredients have been mixed, the applicable "limitations" and "indications for use" from both the numbered items and lettered items apply. If duplicate limitations occur, these may be appropriately combined.

(3) Permitted combinations of principal ingredients and secondary ingredients are individually listed. Unless specifically provided by the regulations, the principal ingredients may not be mixed with secondary ingredients.

(4) Where cross-references specify a particular table and numbered line item of another section, use of only the principal ingredient or principal ingredient combination indicated by the cross-reference is authorized thereby.

(5) The term "principal ingredient" as used in this section refers to the additive named in the title of this section but may include other ingredients listed as numbered line items. Such term is not intended to imply that the ingredient or combination is of greater value than any other additives named in this section.

(d) The additive is used or intended for use as follows:

TABLE 1—PROCAINE PENICILLIN IN COMPLETE CHICKEN AND TURKEY FEEDS

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1.1 Penicillin + bacitracin.	10-50			For chickens; 12.5 gm. of penicillin + 37.5 gm. of bacitracin first 4 to 6 weeks of egg production; not less than 2.5 gm. nor more than 12.5 gm. of penicillin + not less than 7.5 gm. nor more than 37.5 gm. of bacitracin for remainder of laying period; as procaine penicillin + bacitracin, bacitracin methylene disalicylate, or zinc bacitracin.	Maintaining or increasing egg production.
a. 1.1	10-50	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.
2.1 Penicillin + streptomycin.	22.5-50			For chickens; 22.5-50 gm. of combination, containing 16.7 percent of penicillin; as procaine penicillin + streptomycin sulfate.	Maintaining or increasing egg production.
a. 2.1	22.5-50	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.
3.1 Penicillin	50-100			For chickens; as procaine penicillin.	Prevention of chronic respiratory disease (air-sac infection); blue comb (nonspecific infectious enteritis).
3.2 Penicillin + bacitracin.	50-100			For chickens; 50-100 gm. of combination; not less than 12.5 gm. of penicillin nor less than 25 gm. of bacitracin; as procaine penicillin + bacitracin, bacitracin methylene disalicylate, or zinc bacitracin.	Do.
a. 3.1 or 3.2	50-100	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.
4.1 Penicillin	50-100			For turkeys; as procaine penicillin.	Prevention of infectious sinusitis, blue comb (mud fever).
4.2 Penicillin + bacitracin.	50-100			For turkeys; 50-100 gm. of combination; not less than 12.5 gm. of penicillin nor less than 25 gm. of bacitracin; as procaine penicillin + bacitracin, bacitracin methylene disalicylate, or zinc bacitracin.	Do.
5.1 Penicillin + streptomycin.	90-180			For chickens; 90-180 gm. of combination, containing 16.7 percent of penicillin; as procaine penicillin+streptomycin sulfate.	Treatment of chronic respiratory disease (air-sac infection), blue comb (nonspecific infectious enteritis).
a. 5.1	90-180	Amprolium	36.3-227	Not for laying chickens; as prescribed in § 121.210(c), table 1, items 2.1 and 3.1.	§ 121.210(c), table 1, items 2.1 and 3.1.
b. 5.1	90-180	Amprolium + ethopabate.	113.5-227 3.6	Not for laying chickens; as prescribed in § 121.210(c), table 1, item 2.2.	§ 121.210(c), table 1, item 2.2.
c. 5.1	90-180	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.
6.1 Penicillin + streptomycin.	90			For chickens; 90 gm. of combination, containing 16.7 percent of penicillin; as procaine penicillin+streptomycin sulfate.	Maintaining or increasing hatchability of eggs.
a. 6.1	90	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.
7.1 Penicillin + streptomycin.	90-180			For turkeys; 90-180 gm. of combination containing 16.7 percent of penicillin; as procaine penicillin+streptomycin sulfate.	Treatment of infectious sinusitis, blue comb (mud fever), hexamitiasis.
a. 7.1	90-180	Amprolium	113.5-227	As prescribed in § 121.210(c), table 1, item 1.1.	§ 121.210(c), table 1, item 1.1.
8.1 Penicillin+ streptomycin.	90			For chicks; in starter ration; 90 gm. of combination containing 16.7% of penicillin; as procaine penicillin+streptomycin sulfate.	Prevention of early mortality caused by organisms susceptible to penicillin+ streptomycin.
a. 8.1	90	Amprolium	36.3-227	As prescribed in § 121.210(c), table 1, items 2.1 and 3.1.	§ 121.210(c), table 1, items 2.1 and 3.1.
b. 8.1	90	Amprolium+ ethopabate.	113.5-227 3.6	As prescribed in § 121.210(c), table 1, item 2.2.	§ 121.210(c), table 1, item 2.2.
c. 8.1	90	Hygromycin B	8-12	For chicks	§ 121.213(d), table 1, item 1.
9.1 Penicillin	100			For chickens; as procaine penicillin.	Treatment of chronic respiratory disease (air-sac infection), blue comb (nonspecific infectious enteritis).
a. 9.1	100	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.
10.1 Penicillin+ bacitracin.	100			For chickens; 100 gm. of combination; 25 gm. of penicillin +75 gm. of bacitracin; as procaine penicillin+bacitracin, bacitracin methylene disalicylate, or zinc bacitracin.	Maintaining or increasing hatchability of eggs.
a. 10.1	100	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.
11.1 Penicillin + bacitracin.	100-200			For chickens; 100-200 gm. of combination; not less than 25 percent of penicillin + not less than 50 percent of bacitracin; as procaine penicillin +bacitracin methylene disalicylate.	Treatment of chronic respiratory disease (air-sac infection), blue comb (nonspecific infectious enteritis).
a. 11.1	100-200	Hygromycin B	8-12	For chickens	§ 121.213(d), table 1, item 1.

TABLE 1—PROCAINE PENICILLIN IN COMPLETE CHICKEN AND TURKEY FEEDS—Continued

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
12.1 Penicillin + bacitracin.	100			For chickens; 100 gm. of combination; 25 gm. of penicillin +75 gm. of bacitracin; as procaine penicillin + bacitracin, bacitracin methylene disalicylate, or zinc bacitracin.	During times of stress; prevention of diseases caused by organisms susceptible to a combination of penicillin and bacitracin.
13.1 Penicillin + bacitracin.	100			For chicks; in starter ration; 100 gm. of combination; 25 gm. of penicillin+75 gm. of bacitracin; as procaine penicillin + bacitracin methylene disalicylate.	Prevention of early mortality of chicks due to organisms susceptible to a combination of penicillin and bacitracin.
a. 13.1	100	Hygromycin B	8-12	For chicks; in starter ration	§ 121.213(d), table 1, item I.
14.1 Penicillin	100			For turkeys; as procaine penicillin.	Treatment of infectious sinusitis, blue comb (mud fever).
14.2 Penicillin + bacitracin.	100-200			For turkeys; 100-200 gm. of combination; not less than 25 percent of penicillin + not less than 50 percent of bacitracin; as procaine penicillin + bacitracin methylene disalicylate.	Do.
15.1 Penicillin + bacitracin.	100-500			For chicks; in starter ration; 100-500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin, except that it contains not more than 125 gm. of penicillin; as procaine penicillin + bacitracin or zinc bacitracin.	Prevention of early mortality of chicks due to organisms susceptible to combinations of penicillin and bacitracin.
16.1 Penicillin + bacitracin.	100-500			For chickens; 100-500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin, except that it contains not more than 125 gm. of penicillin; as procaine penicillin+bacitracin or zinc bacitracin.	Treatment of chronic respiratory disease (air sac infection), blue comb (nonspecific infectious enteritis).
17.1 Penicillin + bacciitran.	100-500			For turkeys; 100-500 gm. of combination, containing not less than 50 percent nor more than 75 percent of bacitracin, except that it contains not more than 125 gm. of penicillin; as procaine penicillin+bacitracin or zinc bacitracin.	Treatment of infectious sinusitis, blue comb (mud fever).

TABLE 2—PROCAINE PENICILLIN IN COMPLETE SWINE FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1. Penicillin + bacitracin.	50-100			For swine; 50-100 gm. of combination, containing not less than 25 percent and not more than 50 percent of penicillin; as procaine penicillin + bacitracin, bacitracin methylene disalicylate, or zinc bacitracin.	Aid in the prevention of bacterial swine enteritis.
2. Penicillin + streptomycin.	45-90			For swine; 45-90 gm. of combination, containing 16.7 percent of penicillin; as procaine penicillin + streptomycin sulfate.	Do.
3. Penicillin + bacitracin.	100			For swine; 100 gm. of combination, containing not less than 25 percent and not more than 50 percent of penicillin; as procaine penicillin + bacitracin, bacitracin methylene disalicylate, or zinc bacitracin.	Treatment of bacterial swine enteritis.
4. Penicillin + streptomycin.	90			For swine; 90 gm. of combination, containing 16.7 percent of penicillin; as procaine penicillin + streptomycin sulfate.	Do.
5. Penicillin + streptomycin.	90-270			For swine; 90-270 gm. of combination containing 16.7 percent of penicillin; feed not more than 14 days; as procaine penicillin+streptomycin sulfate.	Do.

(e) To assure safe use, the label and labeling of the additive, any combination of additives, and any feed additive premix, feed additive concentrate, feed additive supplement, or complete feed prepared therefrom shall bear, in addition to the other information required by the act, the following:

(1) The name of the additive or additives.

(2) A statement of the quantity or quantities contained therein.

(3) Adequate directions and warnings for use.

(Sec. 409, 72 Stat. 1785; 21 U.S.C. 348)

II. Based upon an evaluation of the data before him and proceeding under the authority of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(4), 72 Stat. 1786; 21 U.S.C. 348(c)(4)), the Commissioner has further concluded that a tolerance limitation is required in order to assure that the use of the food additive streptomycin in accordance with § 121.256 will not cause the edible tissues of swine to be unsafe. Therefore, § 121.1025 is amended to read as follows:

§ 121.1025 Streptomycin.

A tolerance of zero is established for residues of streptomycin in the edible tissues of chickens, turkeys, and swine, and in eggs.

(Sec. 409(c)(4), 72 Stat. 1786; 21 U.S.C. 348(c)(4))

III. Under the authority vested in the Secretary of Health, Education, and Welfare, by the Federal Food, Drug, and Cosmetic Act (sec. 507(c), 59 Stat. 463 as amended; 21 U.S.C. 357(c)), and delegated to the Commissioner of Food and Drugs by the Secretary (21 CFR 2.90; 29 F.R. 471), the Commissioner finds that swine feed containing specified antibiotics is safe and efficacious for use in the amounts and under the conditions prescribed in Part 121 of this chapter. Therefore, § 146.26 *Animal feed containing certifiable antibiotic drugs* is amended by changing paragraph (b) as follows:

1. In paragraph (b)(6), the third clause of the first sentence is changed to provide for a new quantity of penicillin and streptomycin in combination;

2. In subparagraph (7)(i), the last clause of the first sentence is changed to provide for a new quantity of penicillin and streptomycin in combination, a new sentence is added specifying the amounts of the combination for treatment for bacterial swine enteritis;

3. In subparagraph (9), the second clause of the first sentence is changed to provide for new quantities of bacitracin and penicillin alone or in combination;

4. Subparagraph (10) is amended to provide for new quantities of penicillin and bacitracin alone or in combination;

5. In subparagraph (30), the third and fourth clauses are amended to provide for new quantities of penicillin and streptomycin in combination;

6. Subparagraph (40) is amended by adding a provision to the end thereof for a combination of penicillin and bacitracin in a starter ration for chicks.

Paragraph (b)(6), (7)(i), (9), (10), (30), and (40), as amended, of § 146.26, reads as follows:

§ 146.26 Animal feed containing certifiable antibiotic drugs.

* * * * *

(b) * * *

(6) It is intended for use solely in the prevention of chronic respiratory disease (air-sac infection) and hexamitiasis in poultry, bacterial swine enteritis, and/or bacterial calf diarrhea; its labeling bears adequate directions and warnings for such use, and it contains, per ton of feed, not less than 50 grams of chlortetracycline or oxytetracycline or a combination of such drugs; or, if it is intended solely for use as an aid in the prevention of bacterial swine enteritis, it contains, per ton of feed, not less than 45 grams nor more than 90 grams of penicillin and streptomycin in a combi-

nation containing 16.7 percent penicillin. If it contains not less than 100 grams of chlortetracycline or oxytetracycline or a combination of such drugs per ton of feed, it may also be represented for use as an aid in the prevention of synovitis in poultry. When intended for the uses specified in this subparagraph, it may also contain, in the amount specified one, but only one, of the ingredients prescribed by paragraph (a) of this section.

(7) (i) It is intended for use solely as a treatment for complicated, chronic respiratory disease (air-sac infection), infectious sinusitis, blue comb (nonspecific infectious enteritis, mud fever), and hexamitiasis in poultry, and/or bacterial swine enteritis; its labeling contains adequate directions and warnings for such use; and it contains, per ton of feed, not less than 100 grams of chlortetracycline or oxytetracycline or a combination of such drugs or not less than 90 grams nor more than 180 grams of penicillin and streptomycin in a combination containing 16.7 percent penicillin. If it contains not less than 200 grams of chlortetracycline or oxytetracycline or a combination of such drugs per ton of feed, it may also be represented for use as an aid in the control of synovitis in poultry. When intended for the uses specified in this subparagraph, it may also contain, in the amount specified, one, but only one, of the ingredients prescribed by paragraph (a) of this section. If it is intended for use solely in poultry, it may contain 0.1 percent of para-aminobenzoic acid or the sodium or potassium salt of para-aminobenzoic acid; or if it is intended for continuation of coccidiosis prevention it shall contain, in the amount specified, one of the ingredients prescribed by subparagraph (1) of this paragraph. If it is intended for use solely in the treatment of the diseases of chickens described in this subparagraph, it contains, per ton of feed, not less than 100 grams and not more than 200 grams of chlortetracycline and it contains not less than 0.4 percent and not more than 0.8 percent of dietary calcium, then representations may be made in its labeling to the effect that the reduced amount of calcium aids in increasing the concentrations of the antibiotic in the blood of treated birds; the labeling of such medicated feed shall include that required by § 121.208 of this chapter. If it is intended for use solely as a treatment for bacterial swine enteritis, it may contain, per ton of feed, not less than 90 grams nor more than 270 grams of penicillin and streptomycin in a combination containing 16.7 percent penicillin, provided that its labeling bears a warning that the feed is not to be used for more than 14 days.

* * * * *

(9) It is intended for use solely in the prevention of chronic respiratory disease (air-sac infection), infectious sinusitis, and blue comb (nonspecific infectious enteritis) in poultry and/or bacterial swine enteritis; its labeling bears adequate directions and warnings for such use, and it contains, per ton of feed, the equivalent of not less than 50 grams and not more than 100 grams of bacitracin, or not less than 50 grams and not more than 100 grams of penicillin, or not less than 50 grams and not more than 100 grams of penicillin and bacitracin in a combination containing not less than 50 percent nor more than 75 percent of bacitracin. When intended for the uses specified in this subparagraph, it may also contain, in the amount specified, one, but only one, of the ingredients prescribed by paragraph (a) of this section.

(10) It is intended for use solely in the treatment of chronic respiratory disease (air-sac infection), infectious sinusitis, and blue comb (nonspecific infectious enteritis) in poultry and/or bacterial swine enteritis; its labeling bears adequate directions and warnings for such use; and it contains, per ton of feed, the equivalent of either 100 grams of penicillin, or not less than 100 grams and not more than 500 grams of bacitracin (as bacitracin or zinc bacitracin), or not less than 100 grams and not more than 200 grams of bacitracin (as bacitracin methylene disalicylate), or not less than 100 grams and not more than 500 grams of penicillin and bacitracin (as bacitracin or zinc bacitracin) in a combination containing not less than 50 percent nor more than 75 percent of bacitracin but in no case containing more than 125 grams of penicillin, or not less than 100 grams and not more than 200 grams of penicillin and bacitracin (as bacitracin methylene disalicylate) in a combination containing not less than 25 percent of penicillin nor less than 50 percent of bacitracin; except that, if it is intended for the treatment of bacterial swine enteritis, it contains, per ton of feed, either 100 grams of bacitracin (as bacitracin, zinc bacitracin, or bacitracin methylene disalicylate), or 100 grams of a combination of penicillin and bacitracin (as bacitracin, zinc bacitracin, or bacitracin methylene disalicylate), containing not less than 50 percent nor more than 75 percent of bacitracin. When intended for the uses specified in this subparagraph, it may also contain, in the amount specified, one, but only one, of the ingredients prescribed by paragraph (a) of this section; *Provided, however,* That the level of antibiotic or antibiotic combination present is not greater than the minimum amount specified therefor in this subparagraph.

* * * * *

(30) It is intended for use as an aid in maintaining or increasing egg production of chickens, hatchabilty of eggs, prevention of early mortality of chicks when due to organisms that are sensitive to streptomycin and penicillin, and for improving feed efficiency of chickens or turkeys; its labeling bears adequate directions and warnings for such use; and it contains, per ton of feed, not less than 22.5 grams and not more than 50 grams of penicillin and streptomycin in a combination containing 16.7 percent penicillin, except that if it is intended for use in the presence of disease as an aid in maintaining or increasing hatchability of eggs or for the prevention of early mortality of chicks, it contains 90 grams per ton of feed of penicillin and streptomycin in a combination containing 16.7 percent penicillin.

* * * * *

(40) It is intended as an aid in maintaining or increasing egg production, hatchability of eggs, reduction of the effects of stress, prevention of early mortality of chicks, and reduction of the effects of diseases when due to organisms that are sensitive to bacitracin or to a mixture of bacitracin and penicillin, for maintaining appetite and for improving feed efficiency as related to egg production; its labeling bears adequate directions and warnings for such use; and it contains, per ton of feed, the equivalent of 50 grams of bacitracin or a mixture of 37.5 grams of bacitracin and 12.5 grams of penicillin when fed during the first 4 to 6 weeks of egg production, and not less than the equivalent of 10 grams of bacitracin or a mixture of 7.5 grams of bacitracin and 2.5 grams of penicillin when fed during the remainder of the laying period; except that if it is intended for use to increase egg hatchability or prevention of early mortality of chicks or for use in the presence of disease outbreaks or during periods of stress, it shall contain, per ton of feed, the equivalent of 100 grams of bacitracin or a mixture of 75 grams of bacitracin and 25 grams of penicillin, and except that if it is a starter ration for chicks for the purpose of preventing early mortality of chicks due to susceptible organisms, it may contain, per ton of feed, 100 grams to 500 grams of a combination of penicillin and bacitracin (as bacitracin or zinc bacitracin) containing not less than 50 percent and not more than 75 percent of bacitracin, but in no case more than 125 grams of penicillin.

* * * * *

(Sec. 507(c), 59 Stat. 463 as amended; 21 U.S.C. 357(c))

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Secs. 409, 507(c), 59 Stat. 463 as amended; 72 Stat. 1785; 21 U.S.C. 348, 357(c))

Dated: August 28, 1964.

GEO P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 64-8987; Filed, Sept. 4, 1964; 8:45 a.m.]

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Tree Nuts), Department of Agriculture

[Grapefruit Reg. 40]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.419 Grapefruit Regulation 40.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of all grapefruit, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the department after an open meeting of the Growers Administrative Committee on September 1, 1964, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Grapefruit (§§ 51.750–51.783 of this title).

(2) During the period beginning at 12:01 a.m., e.s.t., September 7, 1964, and ending at 12:01 a.m., e.s.t., October 5, 1964, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada or Mexico:

(i) Any grapefruit, grown in the production area, which do not grade at least U.S. No. 1;

(ii) Any seeded grapefruit, grown in the production area, which are smaller than $3^{15}/_{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of seeded grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in said United States Standards for Florida Grapefruit; or

(iii) Any seedless grapefruit, grown in the production area, which are smaller than $3^{15}/_{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of seedless grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in said United States Standards for Florida Grapefruit.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 3, 1964.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 64-9078; Filed, Sept. 4, 1964; 8:49 a.m.]

[Orange Reg. 39]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.420 Orange Regulation 39.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of oranges, except Temple oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of oranges, including Temple oranges, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on September 1, 1964, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of oranges, except Temple oranges, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Oranges and Tangelos (§§ 51.1140–51.1178 of this title).

(2) During the period beginning at 12:01 a.m., e.s.t., September 7, 1964, and ending at 12:01 a.m., e.s.t., October 5, 1964, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any oranges, except Temple oranges, grown in the production area, which do not grade at least U.S. No. 1;

(ii) Any oranges, except Temple oranges, grown in the production area,

which are of a size smaller than 2⁸⁄₁₆ inches in diameter, except that a tolerance of 10 percent, by count, of oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said United States Standards for Florida Oranges and Tangelos: *Provided,* That in determining the percentage of oranges in any lot which are smaller than 2⁸⁄₁₆ inches in diameter, such percentage shall be based only on those oranges in such lot which are of a size 2¹⁴⁄₁₆ inches in diameter or smaller.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 3, 1964.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 64–9079; Filed, Sept. 4, 1964; 8:49 a.m.]

[Export Reg. 10]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.421 Export Regulation 10.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of exports of oranges, including Temple oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of oranges, including Temple oranges, grown in the production area, are presently subject to limitations on shipments from the production area by grade and size, to any point outside thereof in the continental United States, Canada, and Mexico; the recommendation and supporting information for the grade and size limitation hereinafter prescribed for exports for oranges, including Temple oranges, other than to Canada and Mexico, were promptly submitted to the Department after an open meeting of the Growers Administrative Commitee on September 1, 1964; such meeting was held to consider recommendations for regulations on exports, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period hereinafter set forth; and compliance with this regulation will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Oranges and Tangelos (§§ 51.1140–51.1178 of this title).

(2) During the period beginning at 12:01 a.m., e.s.t., September 7, 1964, and ending at 12:01 a.m., e.s.t., July 31, 1965, no handler shall ship to any destination outside the continental United States other than to Canada, or Mexico:

(i) Any oranges, including Temple oranges, grown in the production area, which do not grade at least U.S. No. 2 Russet;

(ii) Any oranges, except Temple oranges, grown in the production area, which are of a size smaller than 2⁴⁄₁₆ inches in diameter, except that a tolerance of 10 percent, by count, of oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said United States Standards for Florida Oranges and Tangelos: *Provided,* That in determining the percentage of oranges in any lot which are smaller than 2⁴⁄₁₆ inches in diameter, such percentage shall be based only on those oranges in such lot which are of a size 2¹⁰⁄₁₆ inches in diameter or smaller; or

(iii) Any Temple oranges, grown in the production area, which are of a size smaller than 2⁵⁄₁₆ inches in diameter, except that a tolerance of 10 percent, by count, of Temple oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in the aforesaid United States Standards for Florida Oranges and Tangelos.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 3, 1964.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 64–9080; Filed, Sept. 4, 1964; 8:49 a.m.]

[Export Reg. 11]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Export Shipments

§ 905.422 Export Regulation 11.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of exports of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of grapefruit, grown in the production area, are subject to grade and size limitations on shipments from the production area to any point outside thereof in the continental United States, Canada, and Mexico; the recommendation and supporting information for the grade and size limitation hereinafter prescribed for exports for grapefruit, other than to Canada and Mexico, were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on September 1, 1964; such meeting was held to consider recommendations for regulations on exports, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is

necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, and standard pack, as used herein, shall have the same meaning as is given to the respective terms in the revised United States Standards for Florida Grapefruit (§§ 51.750–51.783 of this title, 26 F.R. 163).

(2) During the period beginning at 12:01 a.m., e.s.t., September 7, 1964, and ending at 12:01 a.m., e.s.t., July 31, 1965, no handler shall ship to any destination outside the continental United States, other than to Canada and Mexico:

(i) Any grapefruit, grown in the production area, which do not grade at least U.S. No. 2 Russet; or

(ii) Any grapefruit, grown in the production area, which are of a size smaller than $3\frac{5}{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of grapefruit smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in said revised United States Standards for Florida Grapefruit.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 3, 1964.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 64–9081; Filed, Sept. 4, 1964; 8:49 a.m.]

[Valencia Orange Reg. 100]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 908.400 Valencia Orange Regulation 100.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on September 3, 1964.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a.m., P.s.t., September 6, 1964, and ending at 12:01 a.m., P.s.t., September 13, 1964, are hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 450,000 cartons;

(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "handler," "District 1," "District 2," and "District 3," and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 4, 1964.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 64–9131; Filed, Sept. 4, 1964; 11:23 a.m.]

[Lemon Reg. 127]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.427 Lemon Regulation 127.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910; 27 F.R. 8346), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on September 1, 1964.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., September 6, 1964, and ending at 12:01 a.m., P.s.t., September 13, 1964, are hereby fixed as follows:

(i) District 1: Unlimited movement;
(ii) District 2: 209,250 cartons;
(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in the said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 3, 1964.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 64-9082; Filed, Sept. 4, 1964; 8:49 a.m.]

[Peach Reg. 2, Amdt. 2]

PART 919—PEACHES GROWN IN MESA COUNTY, COLO.

REGULATION BY GRADES AND SIZES

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 919, as amended (7 CFR Part 919), regulating the handling of peaches grown in the County of Mesa in the State of Colorado, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the Administrative Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found the the limitation of shipments of such peaches, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this regulation is based became available and the time when this regulation must become effective in order to effectuate the declared policy of the act is insufficient; and this amendment relieves restrictions on the handling of such peaches.

It is, therefore, ordered that provisions of paragraph (b) (1) (ii) of § 919.303 (Peach Regulation 2; 29 F.R. 11124, 29 F.R. 12550) are hereby amended to read as follows:

§ 919.303 Peach Regulation 2.

* * * * *

(b) * * *

(1) * * *

(ii) Any peaches of the Standard Elberta, J. H. Hale, or Rio Oso Gem varieties of peaches which are of a size smaller than 2 inches in diameter: *Provided,* That any lot of peaches shall be deemed to be of a size not smaller than 2 inches in diameter (*a*) if not more than 10 percent, by count, of the peaches in such lot are smaller than 2 inches in diameter; and (*b*) if not more than 15 percent, by count, of the peaches contained in any individual container in such lot are smaller than 2 inches in diameter; or

* * * * *

The provisions of this amendment shall become effective at 12:01 a.m., m.s.t., September 5, 1964.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 4, 1964.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 64-9132; Filed, Sept. 4, 1964; 11:23 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[C.C.C. Grain Price Support Regulations, 1964-Crop Peanut Farm-Stored Loan and Purchase Supplement]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—1964-Crop Peanut Farm-Stored Loan and Purchase Program

The General Regulations Governing Price Support for 1964 and Subsequent Crops of Grain and Similarly Handled Commodities (29 F.R. 2686 and 7662) (hereinafter referred to as the "General Regulations") issued by the Commodity Credit Corporation, which contain regulations of general nature with respect to price support loan and purchase operations, are supplemented for the 1964-crop of peanuts as follows:

Sec.
1421.3551 Purpose.
1421.3552 Applications and disbursement.
1421.3553 Eligible peanuts.
1421.3554 Agreement by operator of overplanted peanut farm.
1421.3555 Determination that producer unknowingly exceeded the effective farm allotment.
1421.3556 Determination of type and grade of Farmers Stock Peanuts.
1421.3557 Quantity eligible for farm-storage loan.
1421.3558 Determination of quantity.
1421.3559 Service charges.
1421.3560 Maturity of loans.
1421.3561 Settlement.
1421.3562 County price support loan rates.

AUTHORITY: The provisions of this subpart issued under secs. 4 and 5, 62 Stat. 1070, as amended; secs. 101, 105, 107, 301, 401, 405, 63 Stat. 1051, as amended; 15 U.S.C. 714 b and c; 7 U.S.C. 1441, 1447, 1421, 1425.

§ 1421.3551 Purpose.

This subpart, and the General Regulations in this part to the extent that the provisions thereof are not made inapplicable by the terms of this subpart, contain the terms and conditions under which CCC will make farm storage loans to, and purchases from, eligible producers of eligible 1964-crop farmers stock peanuts. Notwithstanding the provisions of the General Regulations, CCC will not make warehouse storage loans directly to individual producers on 1964-crop peanuts. Regulations containing the terms and conditions under which eligible producers may obtain price support advances on eligible 1964-crop farmers stock peanuts from certain cooperative marketing associations which, acting in behalf of such producers collectively, will obtain price support warehouse storage loans from CCC have been published separately in the FEDERAL REGISTER.

§ 1421.3552 Applications and disbursement.

Producers desiring to obtain price support by means of farm storage loans and purchases must file an application therefor not later than January 31, 1965. Producers whose applications are approved may obtain farm storage loans through April 30, 1965.

§ 1421.3553 Eligible peanuts.

(a) *General.* In order to be eligible for farm storage loans or purchases, farmers stock peanuts, as defined in § 1446.1567 of this chapter (1964-Crop Peanut Warehouse Storage Loan Regulations (hereinafter referred to as "Warehouse Storage Regulations")), must meet the requirements of this section in addition to the other eligibility requirements of § 1421.53.

(b) *Eligible producer.* The peanuts must have been produced by an eligible producer, as defined in § 1421.52 and paragraph (d) of this section.

(c) *Types.* The peanuts must be one of the types specified in § 1421.3562, and defined in §§ 1446.1562 and 1446.1567(i) of this chapter (Warehouse Storage Regulations).

(d) *Compliance requirements.* Notwithstanding the provisions of § 1421.52, a producer shall not be eligible for farm storage loans or purchases on peanuts produced in 1964 if the peanut acreage on the farm on which the peanuts are produced is in excess of the effective farm peanut acreage allotment (hereinafter referred to as "the farm allotment") as defined in the Allotment and Marketing Quota Regulations for Peanuts of the 1963 and Subsequent Crops, as amended, 27 F.R. 11920; 28 F.R. 11811; 29 F.R. 7801, 7983 (hereinafter referred to as "the marketing quota regulations"), unless (1) the producer is deemed, as provided in § 1421.3555, not to have knowingly exceeded such allotment, or (2) he is issued a within quota marketing card upon execution of a Form MQ–2–Peanuts by the producer and the county committee; the county committee may decline to execute such agreement in any case where it finds reasonable grounds to believe that it will be used as a device to evade the requirements of the price support program or the collection of marketing penalty.

§ 1421.3554 Agreement by operator of overplanted peanut farm.

By execution of Form MQ–92 Peanuts, Agreement by Operator of Overplanted Peanut Farm, the operator agrees that the final farm peanut acreage will not exceed the farm allotment and that if such undertaking is breached, he will pay liquidated damages to CCC in accordance with the terms of such agreement, and pay any marketing penalties

due the Secretary of Agriculture. In a case where the final farm peanut acreage exceeds the farm allotment by not more than the larger of one-tenth acre or two percent of such allotment, payment of the liquidated damages will not be required if the State Executive Director, or in his absence the acting Executive Director, determines that the breach of such agreement was unintentional and occurred despite a bona fide effort by the operator and other producers on the farm to comply with such agreement. In a case where the final farm peanut acreage exceeds the farm allotment by more than the larger of one-tenth acre or two percent of such allotment, payment of liquidated damages will not be required if the State committee makes the determination specified above and also determines that the amount by which the farm peanut acreage exceeded the farm allotment was so small in relation to such allotment that it did not materially impair CCC's price support operations.

§ 1421.3555 Determination that producer unknowingly exceeded the farm allotment.

A producer on a farm on which the farm peanut acreage exceeds the farm allotment shall be deemed not to have knowingly exceeded such allotment if (a) the excess acreage is determined, in accordance with the marketing quota regulations, to be zero; (b) payment of the liquidated damages provided for as the result of a breach of the terms of Form MQ-92-Peanuts is not required under the provisions of § 1421.3554; (c) an erroneous notice of measured acreage was issued to the producer and the farm peanut acreage is deemed to be equal to the farm allotment under the provisions of the marketing quota regulations; or (d) the producer exceeded the farm allotment under circumstances which are not provided for under paragraphs (a), (b), (c) of this section and CCC determines that the producer unknowingly exceeded such allotment.

§ 1421.3556 Determination of type and quality of farmers stock peanuts.

The type and quality of each lot of farmers stock peanuts acquired by CCC as a result of a loan or purchase shall be determined at the time of delivery to CCC by a Federal or Federal State inspector authorized or licensed by the Secretary, U.S. Department of Agriculture. The cost of such determination will be assumed by CCC.

§ 1421.3557 Quantity eligible for farm-storage loan.

Notwithstanding the provisions of § 1421.67, farm storage loans in the case of farmers stock peanuts shall not be made on more than 85 percent of the estimated quantity of eligible peanuts in approved farm storage.

§ 1421.3558 Determination of quantity.

The quantity of peanuts placed under farm-storage loans shall be determined in accordance with § 1421.67 and § 1421.3557, and shall be expressed in units of tons and tenths of tons.

§ 1421.3559 Service charges.

A charge of 40 cents per ton net weight will be made for the quantity of peanuts acquired by CCC as a result of a loan or purchase and shall be handled in accordance with § 1421.60(b). As used in this subpart, the term "net weight" shall have the meaning specified in § 1446.1567 of this chapter (Warehouse Storage Regulations).

§ 1421.3560 Maturity of loans.

Unless demand is made earlier, farm storage loans on farmers stock peanuts will mature on May 31, 1965.

§ 1421.3561 Settlement.

(a) *General.* Settlement for eligible peanuts acquired by CCC pursuant to loan or purchase will be made with the producer as provided in paragraphs (a), (d), (e), (j), and (k) only of § 1421.72 and this section.

(b) *Settlement value.* The settlement value of the peanuts acquired by CCC shall be the amount computed on the basis of the (a) net weight and quality thereof, (b) the support prices, premiums and discounts provided in § 1446.1562 of this chapter (Warehouse Storage Regulations), (c) an allowance of four-tenths of a cent ($0.004) per pound, net weight, to compensate the producer for shrinkage during storage, and (d) discounts of (1) $2.00 per ton, net weight, for each full one percent of foreign material in excess of 10 percent, and (2) $10.00 per ton, net weight, for peanuts containing more than 10 percent moisture.

§ 1421.3562 Loan rate.

The loan rate for farmers stock peanuts placed under farm-storage loan shall be the following prices by types per ton:

Type:	*Dollars per ton*
Virginia	$237.00
Runner	211.00
Southeast Spanish	229.00
Southwest Spanish	220.00
Valencia (suitable for cleaning and roasting)	237.00
Florispan	137.00
"Variety X"	119.00

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on September 1, 1964.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 64-9060; Filed, Sept. 4, 1964; 8:48 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

SUBCHAPTER A—PROCEDURES AND RULES OF PRACTICE

[Docket No. C-812]

PART 13—PROHIBITED TRADE PRACTICES

Coopchik-Forrest, Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.235 *Source or origin:* 13.235-25 Fashion designers: 13.235-60 Place: 13.235-60(a) Domestic products as imported. Subpart—Misbranding or mislabeling: § 13.1325 *Source or origin:* 13.1325-60 Maker or seller; 13.1325-70 Place: 13.1325-70(a) Domestic products as imported.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, Coopchik-Forrest, Inc., et al., New York, N.Y., Docket C-812, Aug. 17, 1964]

In the Matter of Coopchik-Forrest, Inc., a Corporation, and Robert Coopchik and Milton R. Forrest, Individually and as Officers of Said Corporation

Consent order requiring manufacturing furriers in New York City to cease violating the Fur Products Labeling Act by using on labels and in advertising, the representation "Designed by Andre Fath Paris", thereby representing falsely that fur products manufactured in the United States were designed by a French designer or couturier in France.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Coopchik-Forrest, Inc., a corporation, and its officers, and Robert Coopchik and Milton R. Forrest, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Misrepresenting, directly or by implication, that any of their products were manufactured, designed, styled or created by any French designer or couturier.

2. Using the word "Paris" on labels or otherwise, whether singularly or in connection with any word or words, to describe or refer to products made in the United States, or representing by any other means that any products made in the United States were made in France or in any other foreign country.

3. Misrepresenting in any manner the country of origin of any of their products.

B. Falsely or deceptively advertising fur products by:

1. Misrepresenting directly or indirectly that any of their products were manufactured, designed, styled or created by any French designer or couturier.

2. Using the word "Paris" on labels or otherwise, whether singularly or in connection with any other word or words to describe or refer to products made in the United States, or representing by any

other means that any products made in the United States were made in France or in any other foreign country.

3. Misrepresenting in any manner the country of origin of any of their products.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued in Washington, D.C., on August

By the Commission.

[SEAL] JOSEPH N. KUZEW, *Acting Secretary.*

[F.R. Doc. 64-9023; Filed, Sept. 4, 1964; 8:46 a.m.]

[Docket No. 7604 o.]

PART 13—PROHIBITED TRADE PRACTICES

Dayton Rubber Co.

Subpart—Combining or conspiring: § 13.425 *To enforce or bring about resale price maintenance.* Subpart—Discriminating in price under section 2, Clayton Act—Price Discrimination under 2(a) § 13.736 *Group buying organizations.* Subpart—Maintaining resale prices: § 13.1130 *Contracts and agreements.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 2, 49 Stat. 1526; 15 U.S.C. 13) [The Dayton Rubber Company, Dayton, Ohio, Docket 7604, Aug. 5, 1964]

Order requiring a Dayton, Ohio, manufacturer of rubber and other products, including automotive replacement parts made from rubber, to cease discriminating in price in violation of section 2(a) of the Clayton Act by such practices as granting allowances of up to 20 percent off its wholesaler price schedule to a Dallas group buying association, thus permitting its jobber members to acquire products at a net price lower than that available to competing nonaffiliated jobbers; and to cease violating the Federal Trade Commission Act by entering into a conspiracy through contract agreements to fix the prices at which the direct purchasers would resell its products to the indirect purchasers.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent, Dayco Corporation, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device in, or in connection with, the sale or distribution of automotive parts and related products in commerce, as "commerce" is defined in the Clayton Act and in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Discriminating in the price of such products of like grade and quality, by selling such products to any direct purchaser at net prices higher than the net prices charged any other direct purchaser who in fact competes in the resale and distribution of such products with the purchaser paying the higher price.

2. Putting into effect, continuing or maintaining any merchandising or distribution plan or policy under which agreements or understandings are entered into with resellers of such products which have the purpose or effect of fixing, establishing or maintaining the prices at which such products may be resold.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

Issued: August 5, 1964.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 64-9024; Filed, Sept. 4, 1964; 8:46 a.m.]

[Docket No. C-814]

PART 13—PROHIBITED TRADE PRACTICES

Dumas of California, Inc., et al.

Subpart—Invoicing products falsely: § 13.1108 *Invoicing products falsely:* 13.1108-45 Fur Products Labeling Act. Subpart—Misbranding or mislabeling: § 13.1212 *Formal regulatory and statutory requirements:* 13.1212-30 Fur Products Labeling Act; § 13.1255 *Manufacture or preparation:* 13.1255-30 Fur Products Labeling Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1845 *Composition:* 13.1845-30 Fur Products Labeling Act; § 13.1852 *Formal regulatory and statutory requirements:* 13.1852-35 Fur Products Labeling Act; § 13.1865 *Manufacture or preparation:* 13.1865-40 Fur Products Labeling Act; § 13.1900 *Source or origin:* 13.1900-40 Fur Products Labeling Act: 13.1900-40(b) Place.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, Dumas of California, Inc., et al., Los Angeles, Calif., Docket C-814, Aug. 18, 1964]

In the Matter of Dumas of California, Inc., a Corporation, and Mildred Bass and Stanley D. Malkin, Individually and as Officers of the Said Corporation

Consent order requiring manufacturing furriers in Los Angeles to cease violating the Fur Products Labeling Act by labeling and invoicing artificially colored furs as natural; failing to disclose on labels and invoices that certain furs were dyed or bleached; and failing to show on invoices the true animal name of fur and the country of origin of imported furs and failing in other respects to comply with requirements of the Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Dumas of California, Inc., a corporation, and its officers, and Mildred Bass and Stanley D. Malkin, individually and as officers of the said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing directly or by implication on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices as the term "invoice" is defined in the Fur Products Labeling Act showing in words and figures plainly legible all of the information required to be disclosed in each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

2. Representing directly or by implication on invoices that the fur contained in fur products is natural when such fur is pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

3. Setting forth information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

4. Failing to set forth on invoices the item number or mark assigned to fur products.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: August 18, 1964.

By the Commission.

[SEAL] JOSEPH N. KUZEW, *Acting Secretary.*

[F.R. Doc. 64-9025; Filed, Sept. 4, 1964; 8:46 a.m.]

[Docket No. C-813]

PART 13—PROHIBITED TRADE PRACTICES

Sara G. Picow et al.

Subpart—Advertising falsely or misleadingly: § 13.155 *Prices:* 13.155-40 Exaggerated as regular and customary. Subpart—Invoicing products falsely: § 13.1108 *Invoicing products falsely:* 13.1108-45 Fur Products Labeling Act.

Subpart—Misbranding or mislabeling: § 13.1185 *Composition:* 13.1185–30 Fur Products Labeling Act; § 13.1212 *Formal regulatory and statutory requirements:* 13.1212–30 Fur Products Labeling Act; § 13.1325 *Source or origin:* 13.1325–70 Place: 13.1325–70(a) Domestic products as imported; 13.1325–70(e) Fur Products Labeling Act; 13.1325–70(g) Imported products as domestic. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1845 *Composition:* 13.1845–30 Fur Products Labeling Act; § 13.1852 *Formal regulatory and statutory requirements:* 13.1852–35 Fur Products Labeling Act; § 13.1865 *Manufacture or preparation:* 13.1865–40 Fur Products Labeling Act; § 13.1886 *Quality, grade or type;* § 13.1900 *Source or origin:* 13.1900–40 Fur Products Labeling Act: 13.1900–40(b) Place.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, Sara G. Picow et al. trading as Allan's, Columbia, S.C., Docket C–813, Aug. 17, 1964]

In the Matter of Sara G. Picow, and Edward I. Picow, Individually and as Copartners Trading as Allan's

Consent order requiring retail furriers in Columbia, S.C., to cease violating the Fur Products Labeling Act by representing falsely, in newspaper advertising and on labels, that "sales prices" were reduced from former prices which were, in fact, fictitious; failing, in labeling, invoicing and advertising, to show the true animal name of fur, to disclose when fur was artificially colored and to use the term "natural" when it was not dyed or bleached; failing, in labeling and invoicing, to show the country of origin of imported furs or identify it falsely, and showing imported furs as domestic; failing to identify the manufacturer, etc., on labels; failing to disclose on invoices when fur products were composed of cheap or waste fur; and failing in other respects to comply with requirements of the Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That Sara G. Picow and Edward I. Picow, individually and as copartners trading as Allan's or under any other name and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur products, or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Misrepresenting, directly or by implication, on labels that any price when accompanied or not by descriptive terminology, is reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

2. Representing in any, manner, either directly or by implication, on labels that any price is a sales price when such price is not reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

3. Misrepresenting in any manner on labels or other means of identification the savings available to purchasers of respondents' fur products.

4. Falsely and deceptively representing in any manner directly or by implication, on labels or other means of identification that prices of respondents' fur products are reduced.

5. Falsely or deceptively labeling or otherwise identifying any such fur product as to the country of origin of furs contained in such fur product.

6. Falsely or deceptively labeling or otherwise identifying any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

7. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

8. Setting forth information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form on labels affixed to fur products.

9. Failing to set forth the term "Natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the rules and regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

10. Setting forth information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in handwriting on labels affixed to fur products.

11. Failing to set forth information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder on labels in the sequence required by rule 30 of the aforesaid rules and regulations.

12. Failing to set forth on labels the item number or mark assigned to a fur product.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

2. Misrepresenting in any manner, directly or by implication, the country of origin of the fur contained in fur products.

3. Setting forth information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "Natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and rules and regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

5. Failing to disclose on invoices that fur products are composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur.

6. Failing to set forth on invoices the item number or mark assigned to fur products.

C. Advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly in the sale or offering for sale of any fur products, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of section 5(a) of the Fur Products Labeling Act.

2. Misrepresents directly or by implication that any price, when accompanied or not by descriptive terminology is reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

3. Represents in any manner, either directly or by implication, that any price is a sales price when such price is not reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

4. Misrepresents in any manner, the savings available to purchasers of respondents' fur products.

5. Falsely and deceptively represents in any manner that prices of respondents' fur products are reduced.

6. Fails to set forth the term "Natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the rules and regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

7. Fails to set forth all parts of the information required under section 5(a) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other.

It is further ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: August 17, 1964.

By the Commission.

[SEAL] JOSEPH N. KUZEW, *Acting Secretary.*

[F.R. Doc. 64–9026; Filed, Sept. 4, 1964; 8:46 a.m.]

SUBCHAPTER D—TRADE REGULATION RULES

PART 408—UNFAIR OR DECEPTIVE ADVERTISING AND LABELING OF CIGARETTES IN RELATION TO THE HEALTH HAZARDS OF SMOKING

Extension of Effective Date for Labeling Requirements

Notice was given in the FEDERAL REGISTER of July 2, 1964 (29 F.R. 8324), of the adoption by the Federal Trade Commission of a "Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking."

Paragraph 5 of this rule provided that "Except with respect to advertising, this rule shall become effective on January 1, 1965." In response to the request of the Committee on Interstate and Foreign Commerce of the House of Representatives, dated August 19, 1964, the Commission has extended this effective date to July 1, 1965.

The effect of the extension is that all of the requirements of the Commission's Trade Regulation Rule shall become effective on July 1, 1965.

Issued: September 3, 1964.

By the Commission.

[SEAL] JOSEPH N. KUZEW,
Acting Secretary.

[F.R. Doc. 64-9130; Filed, Sept. 4, 1964; 11:12 a.m.]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

[Release No. 34-7408]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

Miscellaneous Amendments

The Securities and Exchange Commission today announced the revocation of two rules and the revision of two other rules under the Securities Exchange Act of 1934 (Exchange Act) to conform the rules to the newly enacted Securities Acts Amendments of 1964 (Amendments Act). The Commission is considering the adoption of new rules and further changes in existing rules to give effect to the amendments.

Revocation of Rule 12f-5 (17 CFR § 240.12f-5). The Amendments Act has deleted from section 12(f) of the Exchange Act the provision requiring "any national securities exchange" "or any person directly or indirectly controlled by such exchange" to differentiate, in the publication of quotations or transactions, between listed securities and securities for which unlisted trading privileges on such exchange have been extended. Rule 12f-5 (17 CFR § 240.12f-5) provides for the manner in which quotations or transactions should be differentiated, and is therefore inappropriate in view of the deletion by the Amendments Act.

Revocation of Rule 15c2-2 (17 CFR § 240.15c2-2). Section 15(c)(5), which was added to the Exchange Act by the Amendments Act, authorizes the Commission summarily to suspend over-the-counter trading in any nonexempt security for a period not exceeding ten days. It also prohibits any broker or dealer from effecting any transaction in or inducing the purchase or sale of, any security in which trading is suspended. Rule 15c2-2 (17 CFR § 240.15c2-2) prohibits a broker or dealer from effecting transactions or inducing the purchase or sale of a security in which trading is suspended pursuant to section 19(a)(4) of the Act. The enactment of section 15(c)(5), eliminates the need for Rule 15c2-2 (17 CFR § 240.15c2-2).[1]

Revision of Rules 15ag-1 (17 CFR § 240.15ag-1) and 15ab-1 (17 CFR § 240.15ab-1). Section 15A(g) of the Exchange Act, as amended by the Amendments Act, provides for Commission review of disciplinary action taken by a registered securities association if the person aggrieved files an application for review "within thirty days after such action has been taken or within such longer period as the Commission may determine." Prior to the Amendments Act the statutory period for filing an application for review was "within sixty days after such action," etc. Rule 15ag-1(b) (17 CFR § 240.15ag-1(b)) has been revised to reflect the shorter time limit imposed by the new statute.

Section 15A(b) of the Exchange Act, as amended by the Amendments Act, expands the conditions under which a person may be ineligible for membership in a national securities association or for association with a member thereof, and gives the Commission the power to direct the admission or continuance in membership, or association with a member thereof, notwithstanding such disqualifications. Rules 15ag-1(a) (17 CFR § 240.15ag-1(a)) and 15ab-1(a) (17 CFR § 240.15ab-1(a)) are revised to conform their provisions to the new provisions of the Exchange Act.

Statutory basis. The Commission, acting pursuant to the Exchange Act, and particularly sections 12(f), 15A, 15(c)(2), and 23(a) thereof, and deeming it necessary for the execution of the functions vested in it, and necessary and appropriate in the public interest and for the protection of investors, hereby revokes Rules 12f-5 (17 CFR § 240.12f-5) and 15c2-2 (17 CFR § 240.15c2-2) under the Exchange Act, and revises Rules 15ag-1(a) (17 CFR § 240.15ag-1(a)), 15ag-1(b) (17 CFR § 240.15ag-1(b)), and 15ab-1(a) (17 CFR § 240.15ab-1(a)) as set forth below. The Commission finds that the notice and public procedure provisions of subsections 4(a) and 4(b) of the Administrative Procedure Act are impracticable, unnecessary and contrary to the public interest for the reason that the above revisions are made to conform the rules to the Exchange Act, as amended by the Amendments Act; and the Commission further finds that the provisions of subsection 4(c) of the Administrative Procedure Act regarding postponement of the effective date are inapplicable to the revocation of Rule 12f-5 (17 CFR § 240.12f-5) because this action grants an exemption or relieves a restriction, and are inapplicable to the other revisions because they incorporate into the rules limitations and changes prescribed by the Amendments Act and implement the requirements effected by the Amendments Act. Accordingly, all the foregoing actions are effective September 1, 1964.

The action of the Commission follows:

Part 240 of Chapter II of Title 17 of the Code of Federal Regulations is amended as follows:

Paragraphs (a) and (b) of § 240.15ag-1 are revised to read as follows:

§ 240.15ag-1 Application pursuant to section 15A(g) of the act for review of disciplinary action or denial of membership by a registered securities association.

(a) Proceedings on an application under section 15A(g) of the Act to review disciplinary action taken by a registered securities association or the action of such an association in denying admission to any broker or dealer seeking membership therein shall be governed by this rule. If the action complained of was based on the provisions of section 15A(b)(3), 15A(b)(4), or 15A(b)(5) of the Act or on any effective rule of such association adopted under such sections, application for relief should ordinarily be filed under § 240.15ab-1 and not under this section, and any such application filed under this section will be dismissed summarily unless it plainly alleges, with supporting detail, that the specific grounds on which the association's action was based did not exist in fact or were not valid under section 15A(b)(3), 15A(b)(4), or 15A(b)(5) of the Act or under any effective rule of the association adopted under such sections.

(b) An original and two copies of an application pursuant to section 15A(g) of the Act for review of action taken by a registered securities association shall be filed with the Commission within 30 days after such action has been taken. The Secretary will serve a copy of the application on the association, which shall, within 10 days after receipt of the copy of the application, certify and file with the Commission the original, or one copy, of the record upon which the order complained of was entered, together with 3 copies of an index to such record. The Secretary will serve upon the parties copies of such index and any papers subsequently filed.

* * * * *

(Secs. 15A, 23(a), 52 Stat. 1070 as amended, 48 Stat. 901 as amended, 15 U.S.C. 78o-3, 78w)

Paragraph (a) of § 240.15ab-1 is revised to read as follows:

[1] The Commission has entered section 15(c)(5) orders to continue the suspension of trading in securities in which trading is prohibited because of the provisions of Rule 15c2-2 (17 CFR § 240.15c2-2).

§ 240.15ab–1 Relief from statutory disqualification.

(a) A broker or dealer desiring to apply for an order of the Commission approving or directing his admission to or continuance in membership in a national securities association, notwithstanding a disqualification under section 15A(b)(3), 15A(b)(4), or 15A(b)(5) of the Act or under any effective rule of any such association adopted under such sections, should first submit the matter to such association for a determination whether the association desires to admit or continue such broker or dealer in membership. If the association desires to admit or continue such broker or dealer in membership, it may file an application with the Commission on behalf of the broker or dealer, or the broker or dealer may file an application on his own behalf. If the association refuses to file such an application, the broker or dealer may file an application with the Commission for an order directing the association to admit or continue him in membership.

* * * * *

(Secs. 15A, 23(a), 52 Stat. 1070 as amended, 48 Stat. 901 as amended, 15 U.S.C. 78o–3, 78w)

§ 240.12f–5 [Revoked]

Section 240.12f–5 is revoked.

(Secs. 12(f), 23(a), 48 Stat. 894, 901, as amended, 15 U.S.C 78l, 78w)

§ 240.15c2–2 [Revoked]

Section 240.15c2–2 is revoked.

(Secs. 15(c)(2), 23(a), 52 Stat. 1075 as amended, 48 Stat. 901 as amended, 15 U.S.C. 78o, 78w)

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

SEPTEMBER 1, 1964.

[F.R. Doc. 64–9045; Filed, Sept. 4, 1964; 8:47 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 56251]

PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES

PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE

Posting of a Table of Fees in Customs Offices

Section 4.98(a) of the Customs Regulations contains a listing of each service for which a navigation fee is charged without specifying the amount thereof and provides that these navigation fees be listed on customs Form 1010 and posted in customs offices. By specifying in the listing of navigation fees in § 4.98(a) the amounts of such fees and keeping the regulations available to the public at all customs offices, customs Form 1010 can be eliminated. To accomplish this purpose § 4.98(a) is amended to read as follows:

§ 4.98 Navigation fees.

(a) The following table of navigation fees shall be made available to the public in customs offices. The fees in column A are those collectible on the Atlantic, Gulf, and Pacific coasts and on the Mississippi River and tributaries; those in column B are collectible on the northern, northeastern, and northwestern frontiers (Great Lakes, Lake Champlain, and St. Lawrence River). The respective fees shall be designated in correspondence and reports by fee number.

Fee No.	Description of services	A	B
1	Entry of vessel, including American, from foreign port (19 U.S.C. 58):		
	(a) Less than 100 net tons	$1.50	
	(b) 100 net tons and over	2.50	
2	Clearance of vessel, including American, to foreign port (19 U.S.C. 58):		
	(a) Less than 100 net tons	1.50	
	(b) 100 net tons and over	2.50	
3	Issuing permit to foreign vessel to proceed from district to district, and receiving manifest (46 U.S.C. 329, 330)	2.00	$0.10
4	Receiving manifest of foreign vessel on arrival from another district, and granting a permit to unlade (46 U.S.C. 329, 330)	2.00	.10
5	Receiving post entry (19 U.S.C. 58, 46 U.S.C. 330)	2.00	2.00
6	Changing name of vessel (46 U.S.C. 53):		
	(a) Less than 100 gross tons	10.00	10.00
	(b) 100 and not exceeding 499 gross tons	25.00	25.00
	(c) 500 and not exceeding 999 gross tons	50.00	50.00
	(d) 1000 and not exceeding 4999 gross tons	75.00	75.00
	(e) 5000 gross tons and over	100.00	100.00
7	(a) Recording bill of sale, conveyance, mortgage, or assignment of mortgage; or	0.20 for each folio of 100 words with minimum fee of one dollar.	0.20 for each folio of 100 words with minimum fee of one dollar.
	(b) Furnishing certified copy of any bill of sale, conveyance, mortgage, assignment of mortgage, notice of claim of lien, or certificate of discharge in respect to such vessel; or		
	(c) Furnishing certified copy of record at former home port; or		
	(d) Furnishing certificate setting forth names of owners, the interest held by each owner, material facts in each bill of sale, conveyance, mortgage, assignment of mortgage, lien, or encumbrance; or		
	(e) Furnishing certificate that there are no liens or encumbrances. (46 U.S.C. 927)		
8	Receiving official bond not otherwise provided for (19 U.S.C. 58)	0.40	
9	Certifying payment of tonnage tax and certifying admeasurement, both for foreign vessels only (19 U.S.C. 58)	0.20	0.20
10	Furnishing copy of official document, including marine document, certified outward foreign manifest, and others not elsewhere enumerated (19 U.S.C. 58)	0.20	0.20
11	Registering a house flag or funnel mark or both (5 U.S.C. 140)	40.00	40.00

(R.S. 161, as amended, 251; 5 U.S.C. 22, 19 U.S.C. 66)

Posting a table of the fees prescribed by § 24.12 of the Customs Regulations serves no useful purpose as the regulations in which they appear are readily available to interested persons. To eliminate such posting which is not required by law and to indicate more clearly that navigation fees are not covered by § 24.12 but are provided for in § 4.98(a) of the regulations, § 24.12 is amended as follows:

The first sentence of paragraph (a) is amended to read: "The following schedule of fees prescribed by law or hereafter in this paragraph shall be made available to the public at all customs offices."

That portion of paragraph (b) preceding subparagraphs (1), (2), and (3) is amended to read: (b) Except for services in connection with fees prescribed by section 4.98(a) of these regulations, the following changes shall be made: Part 24 is amended by deleting footnote 2a.

The citation of authority for section 2412 is amended to read:

(Sec. 501, 65 Stat. 290, R.S. 2654, as amended, sec. 524, 46 Stat. 741, as amended; 5 U.S.C. 140, 19 U.S.C. 58, 1524)

(R.S. 161, as amended, 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

[SEAL] PHILIP NICHOLS, JR., *Commissioner of Customs.*

Approved: August 31, 1964.

JAMES A. REED, *Assistant Secretary of the Treasury.*

[F.R. Doc. 64–9050; Filed, Sept. 4, 1964; 8:48 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

MISCELLANEOUS AMENDMENTS TO CHAPTER

The following miscellaneous amendments have been made to this chapter:

SUBCHAPTER A—GENERAL

PART 200—INTRODUCTION

In Part 200 in the Table of Contents a new section heading and a new Subpart K are added as follows:

Sec.
200.91 Structural Defects Committee.

Subpart D—Delegations of Basic Authority and Functions

Part 200 is amended by adding a new § 200.91 to read as follows:

§ 200.91 Structural Defects Committee.

(a) *Members.* The Structural Defects Committee is composed of the following members: Assistant Commissioner for Home Mortgages, chairman; the General Counsel; the Assistant Commissioner-Comptroller; and the Assistant Commissioner for Technical Standards, or their designees.

(b) *Functions.* The functions of the Structural Defects Committee are to take appropriate action in exceptionally difficult or questionable cases relating to expenditures to correct or compensate for structural defects in houses financed

with insured mortgages. Action on any case may be taken by the committee on its own initiative or on the basis of recommendations and findings of a Field Office Director.

Section 200.95 is amended by adding a new paragraph (z) to read as follows:

§ 200.95 Field Office Chiefs of Operations.

* * * * *

(z) To make findings and recommendations and take appropriate action in cases relating to the correction of structural defects in houses financed with insured mortgages.

A new Subpart K is added as follows:

Subpart K—Correction of Structural Defects

Sec.
200.500 Purpose.
200.502 Application.
200.505 Nature of defect.
200.507 Eligibility requirements.
200.510 Type of assistance.
200.512 Subrogation by mortgagor.
200.515 Right and finality of determination.

AUTHORITY: The provision of this Subpart K issued under sec. 518, 78 Stat. 769.

Subpart K—Correction of Structural Defects

§ 200.500 Purpose.

The purpose of this subpart is to specify the terms, conditions and types of assistance that the Federal Housing Administration will render to an eligible mortgagor who has been unable to secure satisfactory reconstruction or replacement of structural defects in his property.

§ 200.502 Application for assistance.

An application for assistance in the correction of structural defects, in form satisfactory to the Commissioner, shall be filed by a mortgagor under an FHA-insured mortgage with the Field Office Director having jurisdiction over the area in which the property is located. The application shall be filed not later than four years after the date of the first mortgage insurance certificate issued in connection with the property. A mortgagor under a new FHA mortgage on the same property shall be entitled to file an application if it is filed within the same four-year period following the date of the first insured mortgage certificate.

§ 200.505 Nature of defect.

Assistance in the correction of structural defects shall be available only in connection with a structural defect in the property which the Commissioner has determined to be of such a nature as to seriously affect the livability of the property. Such assistance shall not be available where the defect occurs as a result of fire, earthquake, flood, tornado, or waste.

§ 200.507 Eligibility requirements.

To be eligible for consideration by the Commissioner for receiving assistance in the correction of structural defects, the mortgagor must establish that:

(a) He is the owner of a one- to four-family dwelling covered by an individual mortgage that was insured by the Commissioner after September 2, 1964.

(b) The dwelling was approved for mortgage insurance prior to the beginning of construction and was inspected by the Commissioner or by the Veterans Administration.

(c) He has made reasonable efforts to obtain a correction of a structural defect in his property by the builder, seller, or other persons, and that the defect has not been corrected.

§ 200.510 Type of assistance.

The type of assistance in the correction of structural defects to be rendered a mortgagor who establishes eligibility shall be determined by the Commissioner. In those cases where the Commissioner determines it is appropriate and necessary, he may take any of the actions as follows:

(a) Pay expenses in connection with having the defect corrected.

(b) Pay the claim of the mortgagor for corrected damages to the property arising out of such defect.

(c) Acquire title to the property with the approval of the mortgagor and under such terms and conditions as are satisfactory to the mortgagor.

§ 200.512 Subrogation by mortgagor.

Where the Commissioner has taken action as provided in § 200.510, any legal rights the mortgagor may have against the builder, seller, or other persons, arising out of the defect in his property shall be assigned and set over to the Commissioner.

§ 200.515 Right and finality of determination.

The mortgagor shall not be entitled, as a matter of right, to receive the assistance in the correction of structural defects provided in this subpart. Any determination made by the Commissioner in connection with a mortgagor's application for assistance shall be final and conclusive and shall not be subject to judicial review.

SUBCHAPTER C—MUTUAL MORTGAGE INSURANCE AND INSURED HOME IMPROVEMENT LOANS

PART 203—MUTUAL MORTGAGE INSURANCE AND INSURED HOME IMPROVEMENT LOANS

In Part 203 in the Table of Contents the pertinent section headings are amended and new §§ 203.342 and 203.350a are added to read as follows:

Sec.
203.73 Maximum loan amounts.
203.94 Acceptable risk.
203.342 Recasting of mortgage.
203.350a Time for assigning defaulted mortgage.
203.478 Payment of insurance benefits.

Subpart A—Eligibility Requirements

In § 203.18 paragraphs (a) (1) and (c) (1) are amended to read as follows:

§ 203.18 Maximum mortgage amounts.

(a) *Occupant mortgagors.* * * *

(1) Depending upon the design of the structure:

(i) $30,000 for a one-family residence;

(ii) $32,500 for a two-family residence;

(iii) $32,500 for a three-family residence;

(iv) $37,500 for a four-family residence.

* * * * *

(c) *Outlying area properties.* * * *

(1) $11,000;

* * * * *

Section 203.73 is amended to read as follows:

§ 203.73 Maximum loan amounts.

The loan shall not exceed:

(a) The Commissioner's estimate of the cost of improvements or $10,000 per family unit, whichever is the lesser; or

(b) An amount which, when added to any outstanding indebtedness related to the property, creates a total outstanding indebtedness which does not exceed the limits prescribed in § 203.18 for mortgages on properties of the same type other than new construction; or

(c) Where the proceeds are to be used for the purposes indicated in § 203.82(a) (2), an amount which when added to the aggregate principal balance of any outstanding insured home improvement loans which were obtained for the purposes indicated in § 203.82(a) (2), creates an aggregate indebtedness for such purposes of not to exceed $10,000.

In § 203.82 paragraph (a) is amended to read as follows:

§ 203.82 Use of proceeds.

(a) The proceeds of the loan shall be used only for the following purposes:

(1) To finance improvements that result in or are in connection with the conservation, repair, restoration or refurbishing of the basic livability or utility of an existing structure, including the property on which the structure is located, or in the conversion, alteration, enlargement, remodeling, or expansion of such structure, including a change in the living accommodations or the number of family dwelling units located therein.

(2) To pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of the borrower's property, which is assessed against the borrower or for which he is otherwise legally liable as the property owner.

* * * * *

Section 203.83 is amended to read as follows:

§ 203.83 Nature of borrower's ownership.

To be eligible for insurance, the property to be improved shall be owned by the borrower, or be leased by the borrower under a lease for not less than 99 years which is renewable, or be under a lease with an expiration date in excess of 10 years later than the maturity date of the loan.

Section 203.94 is amended to read as follows:

§ 203.94 Acceptable risk.

The loan transaction shall, in the opinion of the Commissioner, constitute an acceptable risk.

Subpart B—Contract Rights and Obligations

Section 203.340 is amended to read as follows:

§ 203.340 Conditions of special forbearance relief.

(a) *General conditions—Commissioner's prior approval.* The Commissioner may approve special forbearance relief if he finds that the default was due to circumstances beyond the mortgagor's control. Approval is given on condition that the mortgagor and mortgagee enter into a written forbearance agreement providing for:

(1) The reduction or suspension of regular mortgage payments for a specified forbearance period;

(2) The resumption of regular mortgage payments after the expiration of the forbearance period; and

(3) The repayment of the total unpaid amount accruing prior to and during the forbearance period on or before the maturity date of the mortgage or on or before a date subsequent to the maturity date which is approved by the Commissioner.

(b) *Special conditions—Commissioner's approval not required.* Special forbearance relief may be granted by the mortgagee, without prior approval of the Commissioner, under the following conditions:

(1) The mortgagor shall establish to the satisfaction of the mortgagee, whose finding shall be conclusive, that:

(i) The mortgagor does not own other property subject to a mortgage insured by the Commissioner, and

(ii) That the default was due to circumstances beyond the control of the mortgagor because of death, illness, or curtailment of income of the mortgagor or a member of his family or because of damage to the mortgaged property against which the mortgagor is not adequately protected by insurance.

(2) The written forbearance agreement shall:

(i) Be limited to a period of 18 months;

(ii) Provide for the resumption of regular mortgage payments after the expiration of the forbearance period; and

(iii) Provide for the repayment of the total unpaid amount, accruing prior to and during the forbearance period, on or before a date extending beyond the original maturity for a period no greater than the period of forbearance.

Section 203.341 is amended to read as follows:

§ 203.341 Reimbursement for uncollected interest.

The mortgagee shall be entitled to receive an allowance in the insurance settlement for unpaid mortgage interest, if the mortgagor fails to meet the requirements of the forbearance agreement and such failure continues for a period of up to 60 days. The interest allowance shall be computed to the earliest of the applicable dates following:

(a) The date of the institution of foreclosure.

(b) The date of the acquisition of the property by the mortgagee by means other than foreclosure.

(c) The date the property was acquired by the Commissioner under a direct conveyance from the mortgagor.

(d) 90 days following the date the mortgagor fails to meet the requirements of the forbearance agreement, or such other date as the Commissioner may approve in writing prior to the expiration of the 90-day period.

In Part 203 a new § 203.342 is added to read as follows:

§ 203.342 Recasting of mortgage.

(a) *General conditions—Commissioner's prior approval.* In addition to the special forbearance relief afforded in § 203.340, if the Commissioner makes the finding required in paragraph (a) of that section, he may approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting the total unpaid amount due over the remaining term of the mortgage or over such longer period as he may approve. The modification agreement may be effective when executed or upon the termination of a forbearance period.

(b) *Special conditions—Commissioner's approval not required.* The Commissioner's approval for a recasting of the total amount due under the mortgage shall not be required where the mortgagee makes the findings prescribed in § 203.340(b)(1). In such instances, the recasting shall be limited to the remaining term of the mortgage or a term extending not more than 10 years beyond the original maturity date. Notice of such modification, in a manner prescribed by the Commissioner, shall be given within 30 days after the modification agreement is executed.

(c) *Effect of modification.* Where a mortgage is modified, the principal amount of the mortgage, as modified, shall be considered to be the "original principal of the mortgage" as the term is used in § 203.401.

Section 203.350 is amended to read as follows:

§ 203.350 Assignment of defaulted mortgage—in general.

The Commissioner may approve the assignment to him of any mortgage covering a one- to four-family residence if he finds that the default was due to circumstances beyond the mortgagor's control.

In Part 203 a new § 203.350a is added to read as follows:

§ 203.350a Time for assigning defaulted mortgage.

The mortgagee shall file for record the assignment of the mortgage to the Commissioner within 30 days of receiving his approval to assign or within such further time as may be approved in writing by the Commissioner.

Section 203.352 is amended to read as follows:

§ 203.352 Title evidence upon assignment.

Within 45 days after the assignment of a mortgage is filed for record, the mortgagee shall furnish to the Commissioner all title evidence held by the mortgagee, extended to include the assignment of the mortgage to the Commissioner.

In § 203.365 the introductory text is amended to read as follows:

§ 203.365 Documents and information to be furnished Commissioner.

Within 45 days after the deed is filed for record the mortgagee shall forward to the Commissioner:

* * * * *

In § 203.402 paragraph (d) is amended and a new paragraph (j) is added to read as follows:

§ 203.402 Debenture computation—conveyed properties; items included.

* * * * *

(d) MIP or open-end insurance charges;

* * * * *

(j) Charges for the administration, operation, maintenance or repair of community-owned property or the maintenance and repair of the mortgaged property paid by the mortgagee with respect to which it certifies to the Commissioner that payment was made for the purpose of discharging an obligation arising out of a covenant filed for record and approved by the Commissioner prior to the insurance of the mortgage.

Section 203.404 is amended to read as follows:

§ 203.404 Debenture computation—assigned mortgages.

Upon an acceptable assignment of the mortgage, the Commissioner shall issue to the mortgagee debentures having a total face value equal to the sum of the following items:

(a) The unpaid principal balance of the loan at the time of assignment plus any unpaid mortgage interest.

(b) Reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner.

(c) Any advances made under the mortgage and approved by the Commissioner.

Section 203.410 is amended to read as follows:

§ 203.410 Issue date of debentures.

(a) *Conveyed properties.* Where the property is conveyed to the Commissioner, debentures shall be dated:

(1) If issued prior to September 2, 1964, or issued on or after such date and a certificate of claim is also issued, as of one of the dates as follows:

(i) The foreclosure proceedings were instituted;

(ii) The property was otherwise acquired by the mortgagee after default; or

(iii) The property was acquired by the Commissioner, if directly conveyed to the Commissioner from the mortgagor.

(2) If issued on or after September 2, 1964, and a certificate of claim is not issued, as of the first of the month following the date of default as defined in this part.

(3) As of the applicable date specified in subparagraph (1), if the insurance settlement includes an allowance for uncollected interest pursuant to § 203.341.

(b) *Assigned mortgages.* Where the mortgage is assigned to the Commissioner, debentures shall be dated as of the date of the assignment.

Section 203.415 is amended to read as follows:

§ 203.415 Delivery of certificate of claim.

(a) If the mortgage was accepted for insurance pursuant to a commitment issued prior to September 2, 1964, the mortgagee may, by filing a written request with the application for debentures, receive in addition to the debentures and the cash adjustment check, a certificate of claim issued in accordance with section 204(e) of the Act. This certificate shall become payable (if at all) as prescribed in section 204(f) of the Act.

(b) If the mortgage was accepted for insurance pursuant to a commitment issued on or after September 2, 1964, no certificate of claim shall be issued.

In § 203.476 paragraph (g) is amended to read as follows:

§ 203.476 Claim application and items to be filed.

* * * * *

(g) All property of the borrower held by the lender or to which it is entitled and, if payment is requested in debentures, all cash held by the lender or to which it is entitled, including deposits made for the account of the borrower and which have not been applied in reduction of the principal loan indebtedness;

* * * * *

Section 203.478 is amended to read as follows:

§ 203.478 Payment of insurance benefits.

(a) *Claim computation, items included.* Upon acceptable assignment of the note and security instruments, the Commissioner shall pay the lender an amount equal to the unpaid principal balance of the loan, plus:

(1) Any accrued interest due as of the date of execution of the assignment of the loan to the Commissioner.

(2) Any advances made previously under the provisions of the loan instrument and approved by the Commissioner.

(3) Reimbursement for such reasonable collection costs, court costs and attorney's fees as may be approved by the Commissioner.

(4) Reimbursement for premiums paid on any hazard insurance policies held on the property.

(5) If payment is made in cash, an amount equivalent to the debenture interest which would have been earned, as of the date insurance settlement occurs, except that where the lender fails to meet any one of the requirements of §§ 203.476 and 203.477 and such failure continues for more than 30 days (or such further time as the Commissioner may approve in writing), the debenture interest shall be computed for 30 days or the extended period.

(b) *Claim computation, items deducted.* If the lender is to receive cash, there shall be deducted from the total of the added items in paragraph (a) any cash held by the lender or to which it is entitled including deposits made for the account of the borrower and which have not been applied in reduction of the principal loan indebtedness.

(c) *Method of payment.* Payment of claim shall be made in the following manner:

(1) *Payment in cash.* Unless a written request for payment in debentures is filed with the application, payment shall be made in cash of the section 203 Home Improvement Account.

(2) *Optional payment in debentures.* Payment shall be made in debentures of the section 203 Home Improvement Account upon filing a written request with the application.

(d) *Special provision—payment in debentures.* All of the provisions of §§ 203.479 through 203.487 of this subpart shall be applicable in connection with the payment in debentures of insurance benefits under this subpart.

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply sec. 203, 52 Stat. 10, as amended; 12 U.S.C. 1709)

SUBCHAPTER D—RENTAL HOUSING INSURANCE

PART 207—MULTIFAMILY HOUSING MORTGAGE INSURANCE

In Part 207 in the Table of Contents a new § 207.36b is added to read as follows:

Sec.
207.36b Protection of work in process.

Subpart A—Eligibility Requirements

In § 207.4 paragraphs (a)(4), (b) and (c)(1) are amended and (a)(5) is revoked as follows:

§ 207.4 Maximum mortgage amounts.

(a) *Dollar and loan-to-value limitations.* * * *

(4) For such part of the property or project attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner) an amount per family unit, depending on the number of bedrooms, which may be:

(i) $9,000 without a bedroom.

(ii) $12,500 with one bedroom.

(iii) $15,000 with two bedrooms.

(iv) $18,500 with three or more bedrooms.

(5) [Revoked].

* * * * *

(b) *Increased mortgage amount—elevator type structures.* In order to compensate for the higher costs incident to construction of elevator type structures of sound standards of construction and design, the Commissioner may increase the dollar amount limitations per family unit as provided in paragraph (a)(4) of this section to not to exceed:

(1) $10,500 per family unit without a bedroom.

(2) $15,000 per family unit with one bedroom.

(3) $18,000 per family unit with two bedrooms.

(4) $22,500 per family unit with three or more bedrooms.

(c) *Increased mortgage amount—high cost areas.* (1) In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase, by not to exceed 45 percent, the dollar amount limitations set forth in paragraph (a) and (b) of this section.

* * * * *

In Part 207 the centered heading preceding § 207.36a is amended and a new § 207.36b is added to read as follows:

EXTENSION OF TIME AND PROTECTION OF WORK IN PROCESS

§ 207.36b Protection of work in process.

The mortgage limitations in effect prior to the enactment of the Housing Act of 1964 shall apply to any project which was under consideration by the Commissioner prior to such enactment if the Commissioner determines that it would be inequitable to apply mortgage limitations prescribed by the Housing Act of 1964.

Subpart B—Contract Rights and Obligations

In § 207.252 paragraph (d) is amended to read as follows:

§ 207.252 First, second and third premiums.

* * * * *

(d) Until the mortgage is paid in full, or until receipt by the Commissioner of an application for insurance benefits, or until the contract of insurance is otherwise terminated with the consent of the Commissioner, the mortgagee, on each anniversary of the date of the first principal payment, shall pay an annual mortgage insurance permium equal to one-half of one percent of the average outstanding principal obligation of the mortgage for the year following the date on which such premium becomes payable.

In § 207.253 a new paragraph (c)(9) is added to read as follows:

§ 207.253 Adjusted premium and termination charges.

* * * * *

(c) * * *

(9) Where the mortgage is paid in full after July 1, 1962 by or on behalf of a mortgagor that is a nonprofit educational institution which intends to use the property for educational purposes.

* * * * *

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply Sec. 207, 52 Stat. 16, as amended; 12 U.S.C. 1713)

SUBCHAPTER E—COOPERATIVE HOUSING INSURANCE

PART 213—COOPERATIVE HOUSING MORTGAGE INSURANCE

In Part 213 in the Table of Contents a new § 213.50 is added to read as follows:

Sec.
213.50. Protection of work in process.

Subpart A—Eligibility Requirements—Projects

In § 213.7 paragraphs (a)(4), (c)(2), (d)(1), (g) and (l) are amended to read as follows:

§ 213.7 Maximum insurable amounts.

(a) *Management Project.* * * *

(4) For such part of the property or project attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner) an amount per family unit, depending on the number of bedrooms, which may be:

(i) $9,000 without a bedroom.
(ii) $12,500 with one bedroom.
(iii) $15,000 with two bedrooms.
(iv) $18,500 with three or more bedrooms.

* * * * *

(c) *Sales Project.* * * *

(2) A sum not to exceed 97 percent of the amount which the Commissioner estimates will be the replacement cost of the project, except that such amount shall not exceed for such part of the property or project attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner) an amount per family unit, depending on the number of bedrooms, which may be:

(i) $9,000 without a bedroom.
(ii) $12,500 with one bedroom.
(iii) $15,000 with two bedrooms.
(iv) $18,500 with three or more bedrooms.

(d) *Increased mortgage amounts—high cost areas.* * * *

(1) In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase, by not to exceed 45 percent, the dollar amount limitations set forth in paragraphs (a)(4), (c)(2) and (g) of this section.

* * * * *

(g) *Increased mortgage amount—elevator type structures.* In order to compensate for the higher costs incident to construction of elevator type structures of sound standards of construction and design, the Commissioner may increase the dollar amount limitations per family unit as provided in paragraph (a)(4) of this section to not to exceed:

(1) $10,500 per family unit without a bedroom.
(2) $15,000 per family unit with one bedroom.
(3) $18,000 per family unit with two bedrooms.
(4) $22,500 per family unit with three or more bedrooms.

* * * * *

(l) *Supplementary loans.* The maximum amount of a supplementary loan shall be limited to an amount which, when added to the total unpaid balance of all outstanding mortgage indebtedness on the property plus loans insured by the Commissioner on the property, creates a total outstanding indebtedness equal to the original principle obligation of the mortgage. Also:

(1) If improvements, repairs or the financing of community facilities are involved, the loan shall not exceed the Commissioner's estimate of the cost or the actual cost, as approved by the Commissioner, whichever amount is the lesser.

(2) If the financing of cooperative purchases and resales of memberships are involved, the loan shall not exceed an amount, approved by the Commissioner, as needed for such purposes.

* * * * *

In § 213.23 a new paragraph (c) is added as follows:

§ 213.23 Regulation and restriction of mortgagors.

* * * * *

(c) *Supplementary loans.* Prior to the insurance of a supplementary loan, the mortgagor of a management project shall amend its certificate of incorporation or regulatory agreement in such manner as the Commissioner may require.

In § 213.27 paragraph (f) is amended to read as follows:

§ 213.27 Assurances of completion.

* * * * *

(f)(1) For a supplementary loan involving improvements, repairs or the financing of community facilities, the Commissioner may require such assurance of completion as he deems necessary.

(2) A supplementary loan may be required to be secured in a manner satisfactory to the Commissioner. The security may take the form of collateral security, a modification of existing instruments and title evidence or such other form as may be prescribed by the Commissioner.

* * * * *

In § 213.30 a new paragraph (h) is added as follows:

§ 213.30 Methods of operation.

* * * * *

(h) Where the mortgagor obtains a supplementary loan to purchase and resell memberships, downpayments made by purchasers of memberships shall not be less than the downpayments requested in the original sales of memberships.

In Part 213 the centered heading preceding § 213.46 is amended and a new § 213.50 is added to read as follows:

EXTENSION OF TIME AND PROTECTION OF WORK IN PROCESS

§ 213.50 Protection of work in process.

The mortgage limitations in effect prior to the enactment of the Housing Act of 1964 shall apply to any project which was under consideration by the Commissioner prior to such enactment if the Commissioner determines that it would be inequitable to apply mortgage limitations prescribed by the Housing Act of 1964.

Subpart B—Contract Rights and Obligations—Projects

In § 213.258 paragraph (a) is amended to read as follows:

§ 213.258 Subsequent annual premiums.

(a) Until the mortgage is paid in full or until receipt by the Commissioner of an application for insurance benefits, or until the contract of insurance is otherwise terminated with the consent of the Commissioner, the mortgagee, on each anniversary of the date of the first principal payment, shall pay an annual mortgage insurance premium equal to one-half of one percent of the average outstanding principal obligation of the mortgage for the year following the date on which such premium becomes payable.

* * * * *

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply sec. 213, 64 Stat. 54, as amended; 12 U.S.C. 1715e)

SUBCHAPTER F—URBAN RENEWAL HOUSING INSURANCE AND INSURED IMPROVEMENT LOANS

PART 220—URBAN RENEWAL MORTGAGE INSURANCE AND IMPROVED INSURANCE LOANS

In Part 220 in the Table of Contents the pertinent section heading is amended to read as follows:

Sec.
220.575 Maximum loan amounts.

Subpart A—Eligibility Requirements—Homes

Section 220.25 is amended to read as follows:

§ 220.25 Maximum mortgage amounts—dollar limitation.

Depending upon the design of the structure, a mortgage shall not exceed the lesser of the following:

(a) $30,000 for a one-family residence.
(b) $32,500 for a two-family residence.
(c) $32,500 for a three-family residence.
(d) $37,500 for a four-family residence.
(e) $37,500 plus not to exceed $7,000 for each additional family unit in excess of four.

Section 220.101 is revoked as follows:

§ 220.101 Minimum loan amount. [Revoked]

In § 220.102 paragraph (b) is amended and a new paragraph (c) is added to read as follows:

§ 220.102 Maximum loan amount.

* * * * *

(b) An amount which, when added to any outstanding indebtedness related to the property, creates a total outstanding indebtedness which does not exceed the limits prescribed in §§ 220.25 and 220.30 for mortgages on properties other than new construction; or

(c) Where the proceeds are to be used for the purposes indicated in § 203.82(a)(2) of this chapter, an amount which when added to the aggregate principal balance of any outstanding insured home improvement loans which were obtained for the purposes indicated in § 203.82

(a)(2), creates an aggregate indebtedness for such purposes of not to exceed $10,000.

Subpart B—Contract Rights and Obligations—Homes

Section 220.252 is amended to read as follows:

§ 220.252 Forbearance of foreclosure and assignment of mortgage.

All of the provisions of §§ 203.340 through 203.342, 203.350, 203.352 and 203.353 of this chapter shall apply to mortgages insured under this subpart, except that the provisions relating to forbearance of foreclosure, recasting of the mortgage and assignment of a defaulted mortgage, shall be applicable only to a mortgage covering a property having not more than four dwelling units.

In § 220.275 paragraph (b) is amended to read as follows:

§ 220.275 Payment of insurance benefits.

* * * * *

(b) *Special provisions—payment in cash.* Where payment is made in cash, the Commissioner shall make a partial payment to the mortgagee equivalent to 90 percent of the unpaid principal balance of the mortgage, upon receipt by the Commissioner of the mortgagee's application for insurance benefits. The balance of the payment shall be made upon compliance by the mortgagee, in a manner satisfactory to the Commissioner, with the applicable fiscal data and title requirements. In computing the total of the partial and final payment:

(1) The provisions of § 203.402 of this chapter shall be applicable, if the property is conveyed to the Commissioner, or the provisions of § 203.404 shall be applicable if the mortgage is assigned to the Commissioner.

(2) There shall be deducted from the cash payment the amount of all cash retained by the mortgagee or to which it is entitled, including deposits made for the account of the mortgagor and which have not been applied in reduction of the principal mortgage indebtedness.

(3) There shall be added to the total computed under subparagraphs (1) and (2) of this paragraph an amount equivalent to the debenture interest which would have been earned, as of the date insurance settlement occurs, except that when the mortgagee fails to meet any one of the applicable requirements of § 220.253 and §§ 203.352, 203.353, 203.355, 203.356, 203.359, 203.360, and 203.365 of this chapter within the specified time and in a manner satisfactory to the Commissioner (or within such further time as the Commissioner may approve in writing), the interest allowance in the partial or final payment, as applicable, shall be computed only to the date on which the particular required action should have been taken or to which it was extended.

* * * * *

In § 220.350 paragraph (a) is amended to read as follows:

§ 220.350 Incorporation by reference.

(a) All of the provisions of §§ 203.440 et seq. of this chapter covering insured home improvement loans under section 203(k) of the Act shall apply to home improvement loans on one- to four-family dwellings under section 220(h) of the Act.

* * * * *

In Part 220 §§ 220.355, 220.360 and 220.365 are revoked as follows:

§ 220.355 Claim application and items to be filed. [Revoked]

§ 220.360 Claim computation, items included. [Revoked]

§ 220.365 Claim computation, items deducted. [Revoked]

Subpart C—Eligibility Requirements—Projects

In § 220.507 paragraphs (a)(1), (a)(3)(b) and (c)(1) are amended to read as follows:

§ 220.507 Maximum mortgage amounts.

(a) *Mortgage amount—dollar limitation.* * * *

(1) $30,000,000 if executed by a Private Mortgagor.

* * * * *

(3) For such part of the property or project attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner) an amount per family unit, depending on the number of bedrooms, which may be:

(i) $9,000 without a bedroom.

(ii) $12,500 with one bedroom.

(iii) $15,000 with two bedrooms.

(iv) $18,500 with three or more bedrooms.

(b) *Increased mortgage amount—elevator type structures.* In order to compensate for higher costs incident to construction of elevator type structures of the sound standards of construction and design, the Commissioner may increase the dollar amount limitations per family unit as provided in paragraph (a)(3) of this section to not to exceed:

(1) $10,500 per family unit without a bedroom.

(2) $15,000 per family unit with one bedroom.

(3) $18,000 per family unit with two bedrooms.

(4) $22,500 per family unit with three or more bedrooms.

(c) *Increased mortgage amount—high cost areas.* * * *

(1) In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase, by not to exceed 45 percent, the dollar amount limitations set forth in paragraphs (a)(3) and (b) of this section.

Section 220.575 is amended to read as follows:

§ 220.575 Maximum loan amounts.

The loan shall not exceed:

(a) The Commissioner's estimate of the cost of the improvements or $10,000 per family unit, whichever is the lesser; or

(b) An amount which, when added to any outstanding indebtedness related to the property, creates a total outstanding indebtedness which does not exceed the limits prescribed in §§ 220.506, 220.507, and 220.508 for mortgages on properties of the same type other than new construction; or

(c) Where the proceeds are to be used for the purposes indicated in § 220.601(a)(2), an amount which when added to the aggregate principal balance of any outstanding insured project improvement loans which were obtained for the purposes indicated in § 220.601(a)(2) creates an aggregate indebtedness for such purposes of not to exceed $10,000.

In § 220.601 paragraph (a) is amended to read as follows:

§ 220.601 Use of proceeds.

(a) The proceeds of the loan shall be used only for the following purposes:

(1) To finance improvements that result in or are in connection with the conservation, repair, restoration or refurbishing of the basic livability or utility of an existing structure, including the property on which the structure is located, or in the conversion, alteration, enlargement, remodeling, or expansion of such structure, including a change in the living accommodations or the number of family dwelling units located therein.

(2) To pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of the borrower's property, which is assessed against the borrower or for which he is otherwise legally liable as the property owner.

* * * * *

Section 220.602 is amended to read as follows:

§ 220.602 Nature of borrower's ownership.

To be eligible for insurance, the property to be improved shall be held by the borrower in fee simple, or on leasehold under a lease for not less than 99 years which is renewable, or under a lease with an expiration date in excess of 10 years later than the maturity date of the loan.

Subpart D—Contract Rights and Obligations—Projects

In § 220.755 paragraph (a) is amended to read as follows:

§ 220.755 Insurance benefits requirement.

(a) *Payment in cash.* All of the provisions of § 207.258 of this chapter shall govern the payment of insurance benefits, except that:

(1) The mortgagee shall file its application for insurance benefits:

(i) Within 30 days of its election to assign the mortgage to the Commissioner; or

(ii) Within 30 days of the filing for record of the deed conveying the property to the Commissioner; or

(iii) Within such further time as the Commissioner may approve in writing;

(2) The items listed in subdivisions (i), (ii), (iii), (vii), (viii), and (ix) of

§ 207.258(a)(1) of this chapter shall be delivered to the Commissioner within 45 days of its election to assign the mortgage to the Commissioner or within such further time as the Commissioner may approve in writing;

(3) The mortgagee shall furnish the title evidence required by § 207.259(d) within 45 days of the filing for record of the deed conveying the property to the Commissioner or within such further time as the Commissioner may approve in writing; and

(4) The following items shall be held by the mortgagee and the total of such items shall be deducted from the cash settlement provided for in § 220.760(a):

(i) Any balance of the mortgage loan not advanced to the mortgagor.

(ii) Any cash held by the mortgagee or its agents or to which it is entitled, including deposits made for the account of the mortgagor, and which have not been applied in reduction of the principal of the mortgage indebtedness.

(iii) All funds held by the mortgagee for the account of the mortgagor and which were received pursuant to any other agreement.

(iv) The amount of any undrawn balance under a letter of credit used in lieu of a cash deposit.

In § 220.760 the introductory text of paragraph (a) and paragraph (a)(1) are amended to read as follows:

§ 220.760 Payment of insurance benefits.

(a) *Payment in cash.* All of the provisions of § 207.259 of this chapter shall govern the payment in cash of insurance benefits, except that:

(1) In lieu of issuing debentures and making a cash adjustment, as provided in § 207.259 of this chapter, the Commissioner shall make a partial payment to the mortgagee in cash of the Section 220 Housing Insurance Fund equivalent to 90 percent of the unpaid principal balance of the mortgage upon receipt by the Commissioner of the mortgagee's application for insurance benefits. The balance of the payment shall be made upon compliance by the mortgagee, in a manner satisfactory to the Commissioner, with the applicable fiscal data and title requirements. The total of the partial and the final payment shall be in an amount equal to:

(i) The total face amount of the debentures and the cash adjustment provided for in § 207.259; and

(ii) An amount equivalent to the debenture interest which would have been earned as of the date insurance settlement occurs, except that when the mortgagee fails to meet any of the applicable requirements of § 220.755 and §§ 207.256, 207.258, and 207.259 of this chapter within the specified time and in a manner satisfactory to the Commissioner (or within such further time as the Commissioner may approve in writing), the interest allowance in the partial or final payment, as applicable, shall be computed only to the date on which the particular required action shall have been taken or to which it was extended.

* * * * *

In § 220.822(a) a new subparagraph (5) is added to read as follows:

§ 220.822 Claim computation, items included.

(a) *Assignment of loan.* * * *

(5) If payment is made in cash, an amount equivalent to the debenture interest which would have been earned as of the date insurance settlement occurs, except that when the lender fails to meet any one of the applicable requirements of §§ 220.812, 220.820, and 220.821 within the specified time (or within such further time as the Commissioner may approve in writing), the debenture interest shall be computed only to the date to which the particular action should have been taken or to which it was extended.

* * * * *

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply sec. 220, 68 Stat. 596, as amended; 12 U.S.C. 1715k)

SUBCHAPTER G—HOUSING FOR MODERATE INCOME AND DISPLACED FAMILIES

PART 221—LOW COST AND MODERATE INCOME MORTGAGE INSURANCE

In Part 221 in the Table of Contents new §§ 221.535a and 221.575 are added as follows:

Sec.
221.535a Supervision applicable to builder-seller mortgagors.
221.575 Protection of work in process.

Subpart B—Contract Rights and Obligations—Low Cost Homes

In § 221.275 paragraph (b) is amended to read as follows:

§ 221.275 Payment of insurance benefits.

* * * * *

(b) *Special provisions—payment in cash.* Where payment is made in cash, the Commissioner shall make a partial payment to the mortgagee equivalent to 90 percent of the unpaid principal balance of the mortage, upon receipt by the Commissioner of the mortgagee's application for insurance benefits. The balance of the payment shall be made upon compliance by the mortgagee, in a manner satisfactory to the Commissioner, with the applicable fiscal data and title requirements. In computing the total of the partial and final payment:

(1) The provision of § 203.402 of this chapter shall be applicable, if the property is conveyed to the Commissioner, or the provisions of § 203.404 shall be applicable if the mortgage is assigned to the Commissioner.

(2) There shall be deducted from the cash payment the amount of all cash retained by the mortgagee or to which it is entitled, including deposits made for the account of the mortgagor and which have not been applied in reduction of the principal mortgage indebtedness.

(3) There shall be added to the total computed under subparagraphs (1) and (2) of this paragraph an amount equivalent to the debenture interest which would have been earned, as of the date insurance settlement occurs, except that when the mortgagee fails to meet any one of the applicable requirements of § 221.253 and §§ 203.352, 203.353, 203.355, 203.356, 203.359, 203.360, and 203.365 of this chapter within the specified time and in a manner satisfactory to the Commissioner (or within such further time as the Commissioner may approve in writing), the interest allowance in the partial or final payment, as applicable, shall be computed only to the date on which the particular required action should have been taken or to which it was extended.

* * * * *

Subpart C—Eligibility Requirements—Moderate Income Projects

In § 221.510 paragraphs (a) and (c) are amended to read as follows:

§ 221.510 Eligible mortgagors.

A mortgage shall be executed by a mortgagor meeting the following qualifications:

(a) *Nonprofit and builder-seller mortgagor.* (1) The nonprofit mortgagor shall be a corporation or association organized for purposes other than the making of profit or gain for itself or persons identified therewith and which the Commissioner finds is in no manner controlled by nor under the direction of persons or firms seeking to derive profit or gain therefrom. Such a mortgagor shall be regulated or supervised under federal or state laws or by political subdivisions of states or agencies thereof, or the Federal Housing Commissioner, as to rents, charges, and methods of operation. The regulation or supervision of the mortgagor shall be in such manner as, in the opinion of the Commissioner, will effectuate the purposes of this subpart.

(2) The builder-seller mortgagor shall be a special type of limited dividend mortgagor, meeting the qualifications of paragraph (c) of this section, which is organized:

(i) To construct or rehabilitate a multifamily project, and which has entered into a written agreement with a private nonprofit corporation, meeting the qualifications of subparagraph (1) of this paragraph, to sell the project (upon final endorsement) to the nonprofit corporation at a purchase price not to exceed the certified actual cost of the project pursuant to § 221.550.

(ii) To operate the project from the date of completion until the conveyance to the nonprofit mortgagor, subject to special controls and requirements of the Commissioner as to rents, charges, rates of return and method of operation.

(iii) To operate the project, in the event of failure to convey to a nonprofit mortgagor at final endorsement, or within such additional period as may be agreed to in writing by the Commissioner, as a limited dividend mortgagor subject to the supervision, controls and requirements prescribed by the Commissioner for such mortgagor.

* * * * *

(c) *Limited dividend mortgagor.* The mortgagor shall be a corporation re-

stricted as to distributions of income by the laws of the State of its incorporation (or by the Commissioner) or it shall be a trust, partnership, association, individual, or other entity restricted by law or by the Commissioner as to distributions of income, formed exclusively for the purpose of providing housing, and regulated as to rents, charges, rate of return, and methods of operation in such form and manner as is satisfactory to the Commissioner to effectuate the purposes of this subpart.

* * * * *

In § 221.514 paragraphs (a)(1)(ii), (2), (3), (b) and (c) are amended to read as follows:

§ 221.514 Maximum mortgage amounts.

(a) *Principal obligation.* * * *

(1) *Dollar limitations.* * * *

(ii) For such part of the property or project attributable to dwelling use (excluding exterior land improvement as defined by the Commissioner) an amount per family unit, depending on the number of bedrooms, which may be:

(*a*) $8,000 without a bedroom.

(*b*) $11,250 with one bedroom.

(*c*) $13,500 with two bedrooms.

(*d*) $17,000 with three or more bedrooms.

(2) *New construction.* (i) In the case of new construction where the mortgagor is other than a general or limited dividend mortgagor, the Commissioner's estimate of replacement cost of the property or project when the improvements are completed (the replacement cost may include the land, the proposed physical improvement, utilities within the boundaries of the land, architects' fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner).

(ii) In the case of new construction where the mortgagor is a general or a limited dividend mortgagor, 90 percent of the Commissioner's estimate of the replacement cost of the property or project when the proposed improvements are completed. The replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architects' fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner and shall include an allowance for builders' and sponsors' profit and risk of 10 percent of the foregoing items exclusive of land unless the Commissioner, after determining such allowance is unreasonable, prescribed a lesser percentage.

(3) *Repair or rehabilitation.* (i) In the case of a project which is to be repaired or rehabilitated where the mortgagor is other than a general or limited dividend mortgagor, the sum of the estimated cost of the repairs and rehabilitation of the project and the Commissioner's estimate of the value of the property before repair and rehabilitation.

(ii) In the case of a project which is to be repaired or rehabilitated where the mortgagor is a general or a limited dividend mortgagor, 90 percent of the sum of the estimated cost of the repairs and rehabilitation of the project and the Commissioner's estimate of the value of the property before repair and rehabilitation.

(b) *Increased mortgage amount—elevator type structures.* In order to compensate for higher costs incident to construction of elevator type structures of sound standards of construction and design, the Commissioner may increase the dollar amount limitations per family unit as provided in paragraph (a)(1)(ii) of this section to not to exceed:

(1) $9,500 per family unit without a bedroom.

(2) $13,500 per family unit with one bedroom.

(3) $16,000 per family unit with two bedrooms.

(4) $20,000 per family unit with three or more bedrooms.

(c) *Increased mortgage amount—high cost areas.* In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase, by not to exceed 45 percent, the dollar amount limitations set forth in paragraphs (a)(1)(ii) and (b) of this section.

* * * * *

In § 221.515 paragraphs (b)(2) and (c)(2) are amended to read as follows:

§ 221.515 Adjusted mortgage amount—rehabilitation projects.

(b) * * *

(2) *General or limited dividend mortgagor.* If the mortgagor is a general or limited dividend mortgagor, the Commissioner's estimate of the cost of repair or rehabilitation plus such portion of the outstanding indebtedness as does not exceed 90 percent of the Commissioner's estimate of the fair market value of such land and improvements prior to the repair or rehabilitation.

(c) * * *

(2) *General or limited dividend mortgagor.* If the mortgagor is a general or limited dividend mortgagor:

(i) 90 percent of the Commissioner's estimate of the cost of the repair or rehabilitation, plus

(ii) 90 percent of the actual price of the land and improvements, or the Commissioner's estimate of the fair market value of such land and improvements prior to the repair or rehibilitation, whichever is the lesser as provided in this subdivision (ii).

In § 221.524 paragraph (a) is amended to read as follows:

§ 221.524 Prepayment privileges.

(a) *Prepayment in full.* The mortgage indebedness may be prepaid in full and the Commissioner's controls terminated only upon the condition that the Commissioner's prior consent is obtained and upon such terms and conditions as the Commissioner may prescribe, except that, in the case of a limited dividend mortgagor, the mortgage indebtedness may be prepaid in full at any time after the expiration of 20 years from the date of final endorsement of the mortgage.

* * * * *

Section 221.532 is amended to read as follows:

§ 221.532 Supervision applicable to limited dividend mortgagors.

The provisions of § 221.531(b) (rate of return) of this subpart shall apply to limited dividend mortgagors except that the amount of such allowable dividend or disbursement from surplus cash shall not exceed in any one fiscal year more than six percent of the product of 11.11 percent times the finally endorsed amount insured mortgage. The right to such dividend or disbursement from surplus cash shall be cumulative.

In Part 221 a new § 221.535a is added to read as follows:

§ 221.535a Supervision applicable to builder-seller mortgagors.

(a) *Builder-seller's escrow.* The builder's and sponsor's profit and risk allowance or builder's fee and such further amount as the Commissioner may determine, shall be held by the mortgagee in escrow and shall not be paid to the builder-seller unless the project is transferred to a nonprofit mortgagor at final endorsement, or within such additional period as may be agreed to in writing by the Commissioner. In the event of default or failure to transfer the project to a nonprofit mortgagor within the prescribed period, the escrow shall be applied against the mortgage or in such other manner as the Commissioner may direct.

(b) *Transfer to nonprofit mortgagor.* The consideration for the tranfer to the nonprofit mortgagor shall be the assumption of the mortgage indebtedness to which may be added a cash payment in an amount which, when added to the original principal, shall not exceed the builder-seller's actual cost as approved by the Commissioner.

Section 221.537 is amended to read as follows:

§ 221.537 Additional occupancy requirements; preferred purchasers or tenants.

(a) In the case of a project owned by a mortgagor whose mortgage bears interest at the rate set out in § 221.518(b), initial occupancy shall be restricted to those determined by the Commissioner as having a low or moderate income and who are a family, or a single person sixty-two years of age or older, or a handicapped person meeting the qualifications of paragraph (c) of this section.

(b) In all cases, it shall be established in a manner satisfactory to the Commissioner that preference or priority of opportunity to rent dwelling units will be given to a family or a single person sixty-two years of age or older or a handicapped person who has been displaced from an urban renewal area or displaced as a result of governmental action.

(c) For the purposes of this section, a person shall be considered as handicapped if he has a physical impairment which:

(1) Is expected to be of a long-continued and indefinite duration;

(2) Substantially impedes his ability to live independently; and

(3) Is of such a nature that his ability to live independently could be improved by more suitable housing conditions.

In § 221.538 the introductory text is amended to read as follows:

§ 221.538 Applicability of prevailing wage requirements.

The following prevailing wage requirements shall be applicable to all mortgages executed by a general, limited dividend, cooperative, investor-sponsor, and builder-seller mortgagors, and the compliance with such requirements shall be evidenced at such time and in such manner as the Commissioner may prescribe:

* * * * *

In § 221.547 paragraph (a)(3)(i) is amended to read as follows:

§ 221.547 Certification of cost requirements.

(a) * * *

(3) * * *

(i) In the case of a general or limited dividend mortgagor, 90 percent of actual cost; or

* * * * *

Section 221.555 is amended to read as follows:

§ 221.555 Reduction in mortgage amount—new construction.

If the principal obligation of the mortgage exceeds (a) in the case of a general or limited dividend mortgagor, 90 percent, or (b) in the case of other mortgagors, 100 percent, of the total amount as shown by the certificate of actual cost plus the value of land, the mortgage shall be reduced by the amount of such excess prior to final endorsement for insurance.

In § 221.556 paragraphs (b) and (c) are amended to read as follows:

§ 221.556 Reduction in mortgage amount—rehabilitation.

* * * * *

(b) *Property subject to existing mortgage.* If the insured mortgage is to include the cost of refinancing an existing mortgage acceptable to the Commissioner, the amount of the existing mortgage or (1) in the case of a general or limited dividend mortgagor, 90 percent, or (2) in the case of all other mortgagors, 100 percent of the Commissioner's estimate of the fair market value of the land and existing improvements prior to repair or rehabilitation, whichever is the lesser, shall be added to the actual cost of the repair or rehabilitation. If the principal obligation of the insured mortgage exceeds the total amount thus obtained the mortgage shall be reduced by the amount of such excess, prior to final endorsement for insurance.

(c) *Property to be acquired.* If the mortgage is to include the cost of land and improvements, and the purchase price thereof is to be financed with part of the mortgage proceeds, the purchase price, or the Commissioner's estimate of the fair market value of the land and existing improvements prior to repair or rehabilitation, whichever is the lesser, shall be added to the actual cost of the repair or rehabilitation. If the principal obligation of the insured mortgage exceeds (1) in the case of a general or limited dividend mortgagor, 90 percent, or (2) in the case of all other mortgagors, 100 percent, of the total amount thus obtained, the mortgage shall be reduced by the amount of such excess, prior to final endorsement for insurance.

In § 221.560 paragraph (a)(1)(iii) is amended to read as follows:

§ 221.560 Eligibility of refinanced mortgages.

(a) * * *

(1) * * *

(iii) The Commissioner's estimate of the value of the property after completion of the repairs, improvements or additions to the property, except for general or limited dividend mortgagors when the amount shall not exceed 90 percent of the Commissioner's estimate of the value of the property after completion of the repairs, improvements or additions to the property.

* * * * *

In Part 221 the centered heading preceding § 221.564 is amended and a new § 221.575 is added to read as follows:

EXTENSION OF TIME AND PROTECTION OF WORK IN PROCESS

§ 221.575 Protection of work in process.

The mortgage limitations in effect prior to the enactment of the Housing Act of 1964 shall apply to any project which was under consideration by the Commissioner prior to such enactment if the Commissioner determines that it would be inequitable to apply mortgage limitations prescribed by the Housing Act of 1964.

Subpart D—Contract Rights and Obligations—Moderate Income Projects

In § 221.762 the introductory text of paragraph (a) is amended to read as follows:

§ 221.762 Insurance benefits requirement.

(a) *Payment in cash.* All of the provisions of § 207.258 of this chapter shall govern the payment in cash of insurance benefits, except that:

(1) The mortgagee shall file its application for insurance benefits:

(i) Within 30 days of its election to assign the mortgage to the Commissioner; or

(ii) Within 30 days of the filing for record of the deed conveying the property to the Commissioner; or

(iii) Within such further time as the Commissioner may approve in writing;

(2) The items listed in subdivisions (i), (ii), (iii), (vii), (viii), and (ix) of § 207.258(a)(1) of this chapter shall be delivered to the Commissioner within 45 days of its election to assign the mortgage to the Commissioner or within such further time as the Commissioner may approve in writing;

(3) The mortgagee shall furnish the title evidence required by § 207.259(d) within 45 days of the filing for record of the deed conveying the property to the Commissioner or within such further time as the Commissioner may approve in writing; and

(4) The following items shall be held by the mortgagee and the total of such items shall be deducted from the cash settlement provided for in § 221.766(a):

(i) Any balance of the mortgage loan not advanced to the mortgagor.

(ii) Any cash held by the mortgagee or its agents or to which it is entitled, including deposits made for the account of the mortgagor, and which have not been applied in reduction of the principal of the mortgage indebtedness.

(iii) All funds held by the mortgagee for the account of the mortgagor and which were received pursuant to any other agreement.

(iv) The amount of any undrawn balance under a letter of credit used in lieu of a cash deposit.

* * * * *

In § 221.766 the introductory text of paragraph (a) and paragraph (a)(1) are amended to read as follows:

§ 221.766 Payment of insurance—market interest rate.

(a) *Payment in cash.* In the case of a mortgage which at the time of default bears interest at other than the special low rate provided in § 221.518(b), all of the provisions of § 207.259 of this chapter shall govern the payment in cash of insurance benefits, except that:

(1) In lieu of issuing debentures and making a cash adjustment, as provided in § 207.259 of this chapter, the Commissioner shall make a partial payment to the mortgagee in cash of the Section 221 Housing Insurance Fund equivalent to 90 percent of the unpaid principal balance of the mortgage, upon receipt by the Commissioner of the mortgagee's application for insurance benefits. The balance of the payment shall be made upon compliance by the mortgagee, in a manner satisfactory to the Commissioner, with the applicable fiscal data and title requirements. The total of the partial and the final payment shall be in an amount equal to:

(i) The total face amount of the debentures and the cash adjustment provided for in § 207.259; and

(ii) An amount equivalent to the debenture interest which would have been earned, as of the date insurance settlement occurs, except that when the mortgagee fails to meet any one of the applicable requirements of § 221.762 and §§ 207.256, 207.258 and 207.259 of this chapter, within the specified time and in a manner satisfactory to the Commissioner (or within such further time as the Commissioner may approve in writing), the interest allowance in the partial or final payment, as applicable, shall be computed only to the date on which the particular required action should have been taken or to which it was extended.

* * * * *

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply sec. 221, 68 Stat. 599, as amended; 12 U.S.C. 1715l)

SUBCHAPTER H—MORTGAGE INSURANCE FOR SERVICEMEN

PART 222—SERVICEMEN'S MORTGAGE INSURANCE

Subpart A—Eligibility Requirements

Section 222.3 is amended to read as follows:

§ 222.3 Maximum mortgage amount; dollar limitation.

The mortgage shall involve a principal obligation in an amount not in excess of $20,000, except that:

(a) A mortgage meeting the requirements of § 203.18(c) shall not exceed $11,000;

(b) A mortgage meeting the requirements of § 221.10 shall not exceed $11,000; and

(c) A mortgage meeting the requirements of § 221.11 shall not exceed $15,000.

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interprets or applies sec. 222, 68 Stat. 603; 12 U.S.C. 1715m)

SUBCHAPTER I—HOUSING FOR ELDERLY PERSONS

PART 231—HOUSING MORTGAGE INSURANCE FOR THE ELDERLY

Subpart A—Eligibility Requirements

In § 231.2 a new paragraph (l) is added to read as follows:

§ 231.2 Definitions.

* * * * *

(l) "Handicapped person" means a person who has a physical impairment which:

(1) Is expected to be of a long-continued and indefinite duration;

(2) Substantially impedes his ability to live independently; and

(3) Is of such nature that his ability to live independently could be improved by more suitable housing conditions.

In § 231.3 paragraph (b) is amended to read as follows:

§ 231.3 Maximum mortgage amounts—new construction.

* * * * *

(b) *Family unit limitations.* For such part of the property or project attributable to dwelling use (excluding exterior land improvement as defined by the Commissioner) an amount per family unit, depending on the number of bedrooms, which may be:

(1) $8,000 without a bedroom.

(2) $11,250 with one bedroom.

(3) $13,500 with two bedrooms.

(4) $17,000 with three or more bedrooms.

* * * * *

Section 231.5 is amended to read as follows:

§ 231.5 Increased mortgage amounts—elevator type structures.

In order to compensate for the higher costs incident to construction of elevator type structures of sound standards of construction and design, the Commissioner may increase the dollar amount limitations per family unit as provided in § 231.3(b) to not to exceed:

(a) $9,500 per family unit without a bedroom.

(b) $13,500 per family unit with one bedroom.

(c) $16,000 per family unit with two bedrooms.

(d) $20,000 per family unit with three or more bedrooms.

In § 231.6 paragraph (a) is amended to read as follows:

§ 231.6 Increased mortgage amounts—high cost areas.

(a) In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase, by not to exceed 45 percent, the dollar amount limitations set forth in §§ 231.3 (b) and 231.5.

Section 231.9 is amended to read as follows:

§ 231.9 Eligible occupants.

The mortgagor shall establish that preference or priority of opportunity to rent the dwelling units covered by the mortgage will be given to elderly persons and to handicapped persons.

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply sec. 231, 73 Stat. 665; 12 U.S.C. 1715v)

SUBCHAPTER J—MORTGAGE INSURANCE FOR NURSING HOMES

PART 232—NURSING HOMES MORTGAGE INSURANCE

Subpart A—Eligibility Requirements

In § 232.1 paragraph (i) is amended to read as follows:

§ 232.1 Definitions.

* * * * *

(i) "Nursing home" means a proprietary facility or facility of a private nonprofit corporation or association, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located.

* * * * * *

In § 232.62 the introductory text is designated as paragraph (a) and a new paragraph (b) is added to read as follows:

§ 232.62 Advance amortization requirements.

(a) * * *

(b) The provisions of paragraph (a) of this section shall not be applicable to a mortgagor that is a private nonprofit corporation or association.

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply sec. 232, 73 Stat. 663; 12 U.S.C. 1715w)

SUBCHAPTER K—EXPERIMENTAL HOUSING INSURANCE

Part 233 is revised to read as follows:

PART 233—EXPERIMENTAL HOUSING MORTGAGE INSURANCE

Subpart A—Eligibility Requirements—Homes

Sec.
233.1 Scope of subpart.
233.5 Incorporation by reference.
233.15 Eligible property requirements.
233.30 Agreements, covenants and easements.
233.100 Effective date.

Subpart B—Contract Rights and Obligations—Homes

233.251 Incorporation by reference.
233.253 Application for insurance benefits and accompanying fiscal data.
233.275 Payment of insurance benefits.
233.450 Effective date.

Subpart C—Eligibility Requirements—Projects

233.501 Scope of subpart.
233.505 Incorporation by reference.
233.510 Eligible projects.
233.515 Agreements, covenants and easements.
233.600 Effective date.

Subpart D—Contract Rights and Obligations—Projects

233.751 Incorporation by reference.
233.755 Insurance benefits requirements.
233.760 Payment of insurance benefits.
233.850 Effective date.

AUTHORITY: The provisions of this Part 233 issued under sec. 211, 52 Stat. 23, as amended; sec. 233, 75 Stat. 158, as amended; 12 U.S.C. 1715b, 1715x.

Subpart A—Eligibility Requirements—Homes

§ 233.1 Scope of subpart.

Mortgages and loans financing construction or rehabilitation of one- to four-family dwellings (or one- to eleven-family dwellings in the case of mortgages or loans meeting the requirements of section 220 of the Act) and which involve the utilization and testing of advanced technology in housing design, material or construction or experimental property standards for neigborhood design, may be insured under section 233 of the Act. To be eligible, a mortgage or loan shall also meet the requirements of the applicable home mortgage or home improvement loan program under section 203, 213, 220, 221 or 234 of the Act.

§ 233.5 Incorporation by reference.

(a) To be eligible for insurance under this subpart, a mortgage or home improvement loan shall meet the eligibility requirements for insurance under §§ 203.1 et seq. (Part 203, Subpart A); §§ 213.501 et seq. (Part 213, Subpart C); §§ 220.1 et seq. (Part 220, Subpart A); §§ 221.1 et seq. (Part 221, Subpart A); or §§ 234.1 et seq. (Part 234, Subpart A) of this chapter, except that:

(1) The prescribed tests of economic soundness or acceptable risk shall not be applicable.

(2) In lieu of establishing mortgage limits upon the basis of a percentage of the Commissioner's estimate of appraised value, or replacement cost, or cost of repair and rehabilitation, as required by

the applicable section under which the mortgage or loan would otherwise be eligible, the mortgage limits shall be determined by applying the percentage prescribed by the pertinent section to the following:

(i) In cases involving new construction, such percentage shall be applied to the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction, or of using advanced housing technology or experimental property standards, whichever is the lesser.

(ii) In cases involving repair and rehabilitation, such percentage shall be applied to the sum of:

(*a*) The Commissioner's estimate of the value of the property before repair and rehabilitation; plus

(*b*) The lesser of either the Commissioner's estimate of the cost of replacing the improvements using comparable conventional design, materials, and construction, or of using advanced housing technology or experimental property standards.

(3) The limitations upon maximum mortgage amount in a case involving a nonoccupant owner shall not be applicable.

(4) In cases involving home improvement loans, instead of establishing mortgage limits upon the basis of the Commissioner's estimate of the cost of such improvements, the limits shall be determined on the basis of the Commissioner's estimate of the cost of replacing the improvements using comparable conventional design, materials, and construction, or of using advanced housing technology or experimental property standards, whichever is the lesser.

(b) For the purposes of this subpart, all references in parts 203, 213, 220, 221, and 234 of this chapter to sections 203, 213, 220, 221, and 234 of the National Housing Act shall be construed to refer to section 233 of the Act.

§ 233.15 Eligible property requirements.

To be eligible for insurance:

(a) The mortgage or home improvement loan shall relate to property involving the utilization and testing of advanced technology in housing design, material, or construction, or experimental property standards for neighborhood design.

(b) The Commissioner shall make determinations as follows:

(1) That the property is an acceptable risk, giving consideration to the need for testing advanced housing technology or experimental property standards.

(2) That the utilization and testing of the advanced technology or experimental property standards involved will provide data or experience which the Commissioner deems to be significant in reducing housing costs or improving housing standards, quality, livability, or durability or improving neighborhood design.

(c) The dwelling shall be approved for insurance by the Commissioner prior to the beginning of construction or repair, rehabilitation or improvement.

§ 233.30 Agreements, covenants and easements.

Prior to insurance, the mortgagor or borrower shall execute such agreements, covenants and easements running with the land as the Commissioner shall determine are necessary to permit the Commissioner to make inspections and technical observations of the experimental features of the project.

§ 233.100 Effective date.

Unless otherwise specified, the provisions of this subpart shall be effective as to all mortgages with respect to which a commitment to insure is issued on or after September 2, 1964.

Subpart B—Contract Rights and Obligations—Homes

§ 233.251 Incorporation by reference.

(a) Mortgages and home improvement loans insured under the experimental home mortgage insurance program shall be governed by the provisions of the regulations covering contract rights and obligations, as they respectively relate to the several mortgage or home improvement loan programs set forth in § 233.1 of this part, except that provisions of the foregoing regulations concerning mutuality of an insurance fund shall not apply.

(b) For the purpose of this subpart all the references in §§ 203.251 et seq. (Part 203, Subpart B); §§ 213.751 et seq. (Part 213, Subpart D); §§ 220.251 et seq. (Part 220, Subpart B); §§ 221.251 et seq. (Part 221, Subpart B); or §§ 234.251 et seq. (Part 234, Subpart B) of this chapter to:

(1) Sections 203, 213, 220, 221 or 234 shall be construed to refer to section 233 of the Act;

(2) The Mutual Mortgage Insurance Fund, the Section 203 Home Improvement Account, the Housing Insurance Fund, the Section 220 Home Improvement Account, the 220 Housing Insurance Fund, the Section 221 Housing Insurance Fund, or the Apartment Unit Insurance Fund shall be construed to refer to the Experimental Housing Insurance Fund; and

(3) Debentures shall be construed to refer to payments either in cash or debentures as prescribed in § 233.275.

§ 233.253 Application for insurance benefits and accompanying fiscal data.

(a) *Insured mortgages*—(1) *Conveyed properties.* The filing of an application for insurance benefits and the required accompanying fiscal data shall be governed by the applicable provisions of the regulations governing the contract rights and obligations of the program under which the mortgage would have been eligible for insurance except for its experimental features.

(2) *Assigned mortgages.* Where an insured mortgage is assigned to the Commissioner, the mortgagee shall, on the date the assignment of the mortgage is filed for record, forward to the Commissioner the prescribed application for insurance benefits and fiscal data pertaining to the mortgage transaction, together with receipts covering all disbursements, as required by the fiscal data form and other items as follows:

(i) *Credit and security instruments.* The original credit and security instruments assigned without recourse or warranty, except that no act or omission of the mortgagee shall have impaired the validity and priority of the mortgage;

(ii) *Recorded assignment instrument.* The original of the recorded assignment of the mortgage and, if the original of the assignment is not available, a copy shall be furnished and the original forwarded as soon as possible;

(iii) *Hazard insurance.* All hazard insurance policies held in connection with the mortgaged property, together with a copy of the mortgagee's notification to the carrier authorizing the amendment of the loss payable clause substituting the Commissioner as the mortgagee;

(iv) *Rights and interests.* An assignment of all rights and interests arising under the mortgage, and all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction;

(v) *Cash or property.* All property held by the mortgagee or to which it is entitled and, if payment is requested in debentures, all cash held by the mortgagee or to which it is entitled, including deposits made for the account of the mortgagor and which have not been appled in reduction of the principal mortgage indebtedness;

(vi) *Records and accounts.* All records, ledger cards, documents, books, papers and accounts relating to the mortgage transaction; and

(vii) *Additional information.* Any additional information or data which the Commissioner may require.

(b) *Insured home improvement loans.* Where an insured home improvement loan is involved, the provisions of § 203.476 of this chapter (relating to claim application and items to be filed) shall be applicable.

§ 233.275 Payment of insurance benefits.

(a) *Insured mortgages.* Where an insured mortgage is involved, the payment of insurance benefits shall be made as follows:

(1) *Method of payment.* Upon receipt of an application for insurance benefits, acceptable to the Commissioner, claim shall be paid in cash of the Experimental Housing Insurance Fund unless a written request for payment in debentures is filed with the application. Where payment in debentures is requested, debentures of the Experimental Housing Insurance Fund shall be issued.

(2) *Special provisions—payment in cash.* Where payment is made in cash, the Commissioner shall make a partial payment to the mortgagee equivalent to 90 percent of the unpaid principal balance of the mortgage, upon receipt by the Commissioner of the mortgagee's application for insurance benefits. The balance of the payment shall be made upon compliance by the mortgagee, in a manner satisfactory to the Commissioner, with the applicable fiscal data and title requirements. In computing

the total of the partial and final payment:

(i) The provisions of § 203.402 of this chapter shall be applicable, if the property is conveyed to the Commissioner, or the provisions of § 203.404 shall be applicable, if the mortgage is assigned to the Commissioner.

(ii) There shall be deducted from the cash payment the amount of all cash retained by the mortgagee or to which it is entitled, including deposits made for the account of the mortgagor and which have not been applied to reduction of the principal mortgage indebtedness.

(iii) There shall be added to the total computed under subdivisions (i) and (ii) of this subparagraph an amount equivalent to the debenture interest which would have been earned, as of the date insurance settlement occurs, except that when the mortgagee fails to meet any one of the applicable requirements of § 233.253 and §§ 203.352, 203.353, 203.355, 203.356, 203.359, 203.360, and 203.365 of this chapter within the specified time and in a manner satisfactory to the Commissioner (or within such further time as the Commissioner may approve in writing), the interest allowance in the partial or final payment, as applicable, shall be computed only to the date on which the particular required action should have been taken or to which it was extended.

(3) *Special provision—payment in debentures.* Where payment is made in debentures, all of the provisions of §§ 203.401 through 203.411 of this chapter shall be applicable.

(b) *Insured home improvement loans.* Where an insured home improvement loan is involved, the payment of insurance benefits shall be made as provided in § 203.478.

§ 233.450 Effective date.

Unless otherwise specified, the provisions of this subpart shall be effective as to all mortgages with respect to which a commitment to insure is issued on or after September 2, 1964.

Subpart C—Eligibility Requirements—Projects

§ 233.501 Scope of subpart.

Mortgages and loans financing construction or rehabilitation of multifamily projects which involve the utilization and testing of advanced technology in housing design, material or construction or experimental housing standards for neighborhood design, may be insured under section 233 of the Act. To be eligible, a mortgage or loan shall also meet the requirements of the applicable multifamily project or project improvement loan insurance program under section 207, 213, 220, 221, 231, 232 or 234 of the Act.

§ 233.505 Incorporation by reference.

(a) To be eligible for insurance under this subpart, a mortgage or project improvement loan shall meet the eligibility requirements for insurance under §§ 207.1 et seq. (Part 207, Subpart A); §§ 213.1 et seq. (Part 213, Subpart A); §§ 220.501 et seq. (Part 220, Subpart C); §§ 221.501 et seq. (Part 221, Subpart C); §§ 231.1 et seq. (Part 231, Subpart A); §§ 232.1 et seq. (Part 232, Subpart A); or §§ 234.501 et seq. (Part 234, Subpart C) of this chapter, except that:

(1) The prescribed tests of economic soundness or acceptable risk shall not be applicable.

(2) In lieu of establishing mortgage limits upon the basis of a percentage of the Commissioner's estimate of appraised value, or replacement cost, or cost of repair and rehabilitation, as required by the applicable section under which the mortgage or loan would otherwise be eligible, the mortgage limits shall be determined by applying the percentage prescribed by the pertinent section to the following:

(i) In cases involving new construction, such percentage shall be applied to the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction, or of using advanced housing technology or experimental property standards, whichever is the lesser.

(ii) In cases involving repair and rehabilitation, such percentage shall be applied to the sum of:

(*a*) The Commissioner's estimate of the value of the property before repair and rehabilitation; plus

(*b*) The lesser of either the Commissioner's estimate of the cost of replacing the improvements using comparable conventional design, materials, and construction, or of using advanced housing technology or experimental property standards.

(3) In cases involving project improvements, instead of establishing mortgage limits upon the basis of the Commissioner's estimate of the cost of such improvements, the limit shall be determined on the basis of the Commissioner's estimate of the cost of replacing the improvements using comparable conventional design, materials, and construction, or of using advanced housing technology or experimental property standards, whichever is the lesser.

(b) For the purpose of this subpart, all references in parts 207, 213, 220, 221, 231, 232, and 234 of this chapter to sections 207, 213, 220, 221, 231, 232, and 234 of the National Housing Act shall be construed to refer to section 233 of the Act.

§ 233.510 Eligible projects.

To be eligible for insurance:

(a) The mortgage or project improvement loan shall relate to property involving the utilization and testing of advanced technology in housing design, material, or construction, or experimental property standards for neighborhood design.

(b) The Commissioner shall make determinations as follows:

(1) That the property is an acceptable risk, giving consideration to the need for testing advanced housing design or experimental property standards.

(2) That the utilization and testing of the advanced technology or experimental property standards involved will provide data or experience which the Commissioner deems to be significant in reducing housing costs or improving housing standards, quality, livability, or durability or improving neighborhood design.

§ 233.515 Agreements, covenants and easements.

Prior to insurance endorsement, the mortgagor shall execute such agreements, covenants and easements running with the land as the Commissioner shall determine are necessary to allow the Commissioner to make inspections and technical observations of the experimental features of the project.

§ 233.600 Effective date.

Unless otherwise specified, the provisions of this subpart shall be effective as to all mortgages with respect to which a commitment to insure is issued on or after September 2, 1964.

Subpart D—Contract Rights and Obligations—Projects

§ 233.751 Incorporation by reference.

(a) Mortgages and project improvement loans insured under the experimental project insurance program shall be governed by the provisions of the regulations covering contract rights and obligations, as they respectively relate to the several mortgage or project improvement loan programs set forth in § 233.501 of this part.

(b) For the purpose of this subpart, all the references in §§ 207.251 et seq. (Part 207, Subpart B); §§ 213.251 et seq. (Part 213, Subpart B); §§ 220.751 et seq. (Part 220, Subpart D); §§ 221.751 et seq. (Part 221, Subpart D); §§ 231.251 et seq. (Part 231, Subpart B); §§ 232.251 et seq. (Part 232, Subpart B); or §§ 234.751 et seq. (Part 234, Subpart D) of this chapter to:

(1) Section 207, 213, 220, 221, 231, 232 or 234 shall be construed to refer to section 233 of the Act;

(2) The Housing Insurance Fund, the Section 220 Housing Insurance Fund, the Section 220 Home Improvement Account, the Section 221 Housing Insurance Fund, or the Apartment Unit Insurance Fund shall be construed to refer to the Experimental Housing Insurance Fund; and

(3) Debentures shall be construed to refer to payments either in cash or debentures as prescribed in § 233.760 of this subpart.

§ 233.755 Insurance benefits requirement.

(a) *Insured mortgages.* Insurance benefits on insured mortgages may be received in cash or in debentures. Application for insurance benefits shall be made as follows:

(1) *Payment in cash.* All of the provisions of § 207.258 of this chapter shall govern the payment of insurance benefits, except that:

(i) The mortgagee shall file its application for insurance benefits:

(*a*) Within 30 days of its election to assign the mortgage to the Commissioner; or

(*b*) Within 30 days of the filing for record of the deed conveying the property to the Commissioner; or

(*c*) Within such further time as the Commissioner may approve in writing;

(ii) The items listed in subdivisions (i), (ii), (iii), (vii), (viii), and (ix) of § 207.258(a)(1) of this chapter shall be delivered to the Commissioner within 45 days of its election to assign the mortgage to the Commissioner or within such further time as the Commissioner may approve in writing;

(iii) The mortgagee shall furnish the title evidence required by § 207.259(d) within 45 days of the filing for record of the deed conveying the property to the Commissioner or within such further time as the Commissioner may approve in writing; and

(iv) The following items shall be held by the mortgagee and the total of such items shall be deducted from the cash settlement provided for in § 233.760(a):

(*a*) Any balance of the mortgage loan not advanced to the mortgagor.

(*b*) Any cash held by the mortgagee or its agents or to which it is entitled, including deposits made for the account of the mortgagor, and which have not been applied in reduction of the principal of the mortgage indebtedness.

(*c*) All funds held by the mortgagee for the account of the mortgagor and which were received pursuant to any other agreement.

(*d*) The amount of any undrawn balance under a letter of credit used in lieu of a cash deposit.

(2) *Payment in debentures.* In lieu of the cash payment provided in subparagraph (1), mortgagees filing claim for insurance benefits may upon filing a written request with the application for the payment of insurance benefits, receive payment in debentures of the Experimental Housing Insurance Fund issued in accordance with the provisions of § 207.259 of this chapter.

(b) *Insured project improvement loans.* Where an insured project improvement loan is involved, the provisions of § 220.821 of this chapter shall govern the filing of an application for insurance benefits.

§ 233.760 Payment of insurance benefits.

(a) *Insured mortgages.* Where an insured mortgage is involved, the payment of insurance benefits shall be made as follows:

(1) *Payment in cash.* All of the provisions of § 207.259 of this chapter shall govern the payment in cash of insurance benefits on insured mortgages, except that in lieu of issuing debentures and making a cash adjustment as provided in § 207.259 of this chapter, the Commissioner shall make a partial payment to the mortgagee in cash of the Experimental Housing Insurance Fund equivalent to 90 percent of the unpaid principal balance of the mortgage. This payment shall be made upon receipt by the Commissioner of the mortgagee's application for insurance benefits. The balance of the payment shall be made upon compliance by the mortgagee, in a manner satisfactory to the Commissioner, with the applicable fiscal data and title requirements. The total of the partial and final payment shall be in an amount equal to:

(i) The total face amount of the debentures and the cash adjustment provided for in § 207.259; and

(ii) An amount equivalent to the debenture interest which would have been earned, as of the date insurance settlement occurs, except that when the mortgagee fails to meet any one of the applicable requirements of § 233.755 and §§ 207.256, 207.258 and 207.259 of this chapter, within the specified time and in a manner satisfactory to the Commissioner (or within such further time as the Commissioner may approve in writing), the interest allowance in the partial or final payment, as applicable, shall be computed only to the date on which the particular required action should have been taken or to which it was extended.

(2) *Payment in debentures.* In lieu of the cash payment provided in subparagraph (1), mortgagees filing claim for insurance benefits may, upon filing a written request with the application for the payment of insurance benefits, receive payment in debentures of the Experimental Housing Insurance Fund issued in accordance with the provisions of § 207.259 of this chapter.

(b) *Insured project improvement loans.* Where an insured project improvement loan is involved, the payment of insurance benefits shall be governed by §§ 220.822 through 220.842 of this chapter.

§ 233.850 Effective date.

Unless otherwise specified, the provisions of this subpart shall be effective as to all mortgages or loans with respect to which a commitment to insure is issued on or after September 2, 1964.

In Chapter II the headings of Subchapter L, Part 234, Subpart A and Subpart B are revised, and in the Table of Contents the pertinent section heading is amended and new Subparts C and D are added as follows:

SUBCHAPTER L—CONDOMINIUM HOUSING INSURANCE

PART 234—CONDOMINIUM OWNERSHIP MORTGAGE INSURANCE

Subpart A—Eligibility Requirements—Individually Owned Units

Sec.

234.26 Conversion of project to family units.

In § 234.1 paragraphs (d), (h), (j), (k) and (l) are amended to read as follows:

§ 234.1 Definitions used in this subpart.

* * * * *

(d) "Mortgage" means a first lien covering a fee interest or eligible leasehold interest, in a one-family unit in a multifamily project, together with an undivided interest in the common areas and facilities serving the project, and such restricted common areas and facilities as may be designated.

* * * * *

(h) "Project mortgage" means a mortgage which is or has been insured under any of the FHA multifamily housing programs, other than sections 213(a)(1) and 213(a)(2) of the Act.

* * * * *

(j) "Family unit" means a one-family unit including the undivided interest in the common areas and facilities, and such restricted common areas and facilities as may be designated.

(k) "Multifamily project" means a project containing five or more family units.

(l) "Common areas and facilities" means those areas of the project and of the property upon which it is located that are for the use and enjoyment of the owners of family units located in the project. The areas may include the land, roofs, main walls, elevators, staircases, lobbies, halls, parking space and community and commercial facilities.

* * * * *

In § 234.25 paragraphs (b), (c) (2) and (3) are amended to read as follows:

§ 234.25 Mortgage provisions.

* * * * *

(b) *Mortgage multiples.* The mortgage shall involve a principal obligation in $100 multiples. A mortgage having a principal obligation not in excess of $15,000 and an amortization period of either 20, 25, 30 or 35 years may be in $50 multiples.

(c) *Payments and maturity dates.*

* * *

(2) Have a maturity satisfactory to the Commissioner of not less than 10 nor more than 35 years from the date of the beginning of amortization of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser.

(3) Have an amortization period of either 10, 15, 20, 25, 30 or 35 years by providing for either 120, 180, 240, 300, 360 or 420 monthly amortization payments.

* * * * *

In § 234.26 the section heading and paragraphs (a), (b) and (c) are amended to read as follows:

§ 234.26 Conversion of project to family units.

* * * * *

(a) *Location of family unit.* The family unit shall be located in a project which is or has been covered by a project mortgage insured by the FHA.

(b) *Plan of apartment ownership.* The project in which the family unit is located shall have been committed to a plan of apartment-ownership by enabling deed, deed of constitution, public deed, or other recorded instrument which has been approved by the Commissioner prior to its execution, and which is certified by the mortgagee as acceptable and binding within the jurisdiction where the multifamily project is located.

(c) *FHA conversion and release plans.* The initial conversion of the project to apartment-ownership shall be required to comply with an FHA-approved conversion plan. The conversion plan shall provide for:

(1) The termination by payment in full of the mortgage or by voluntary ter-

mination of the insurance contract covering any FHA-insured mortgage on the project.

(2) The release of each family unit from any existing project mortgage covering the project pursuant to a release plan approved by the FHA. The plan shall provide for a payment to be made on the outstanding balance of the project mortgage in an amount equal to the share of the balance determined by the FHA to be attributable to the family unit.

(3) The conveyance of family units, equal in value to at least 80 percent (or such lesser percentage as the Commissioner may prescribe) of the total value of all units, to owners approved by the FHA.

* * * * *

In § 234.27 paragraphs (a), (c), (d) (1) and the introductory text to (d) (2) are amended, and paragraph (b) is revoked as follows:

§ 234.27 Maximum mortgage amounts.

(a) *Occupant mortgagors.* A mortgage executed by a mortgagor who is an occupant of the unit shall not exceed the lesser of the following:

(1) $30,000.

(2) 97 percent of $15,000 of the Commissioner's estimate of appraised value of the family unit, as of the date the mortgage is accepted for insurance, and 90 percent of such value in excess of $15,000 but not in excess of $20,000, and 75 percent of such value in excess of $20,000.

(b) *Increased mortgage amount—elevator type structures.* [Revoked.]

(c) *Increased mortgage amount—high cost areas.* If the Commissioner finds that because of high costs in Alaska, Guam or Hawaii it is not feasible to construct dwellings without the sacrifice of sound standards of construction, design, and livability within the limitations of maximum mortgage amounts provided in this section, the principal obligation of mortgages may be increased in such amounts as the Commissioner finds may be necessary to compensate for such costs, but not to exceed, in any event, the maximum, including high cost area increases, if any, otherwise applicable by more than one-half thereof.

(d) *Nonoccupant mortgagors.* A mortgage executed by a mortgagor who is not the occupant of the unit shall not exceed:

(1) 85 percent of any amount computed under paragraph (a) of this section; or

(2) The full amount computed under paragraph (a) of this section if the mortgage covers a unit and the Commissioner is furnished with certificates indicating that:

* * * * *

Section 234.65 is amended to read as follows:

§ 234.65 Nature of title.

A mortgage to be eligible for insurance shall be on a fee interest in, or on the leasehold interest in, a one-family unit in a project including an undivided interest in the common areas and facilities, and such restricted common areas and facilities as may be designated. To be eligible, a leasehold interest shall be under a lease for not less than 99 years which is renewable, or under a lease with a period of not less than 50 years to run from the date the mortgage is executed.

Section 234.67 is amended to read as follows:

§ 234.67 Rental properties.

No family unit in a project which has been committed to a plan of apartment ownership shall be rented for transient or hotel purposes, as defined in § 234.15, while the family unit is subject to an FHA-insured mortgage.

Subpart B—Contract Rights and Obligations—Individually Owned Units

In § 234.255 paragraph (a) the introductory text is amended and the heading "203.415 Delivery of certificate of claim", is deleted from the listed provisions and paragraph (b) is amended as follows:

§ 234.255 Incorporation by reference.

(a) *Provisions.* All of the provisions of §§ 203.251 through 203.435 of this chapter (Part 203, Subpart B) covering mortgages insured under section 203 of the National Housing Act shall apply to mortgages insured under section 234(c) of the National Housing Act except the following provisions:

* * * * *

(b) *References.* For the purpose of this subpart all references in §§ 203.251 through 203.435 of this chapter (Part 203, Subpart B) to section 203 of the Act, one- to four-family, and the Mutual Mortgage Insurance Fund, shall be construed to refer to Section 234, one family unit, and the Apartment Unit Insurance Fund. The term "property" or "each family dwelling unit" as used in §§ 203.251 through 203.435 of this chapter (Part 203, Subpart B) shall be construed to include "the one-family unit and the undivided interest in the common areas and facilities and such restricted common areas and facilities as may be designated."

In Part 234 § 234.290 is revoked as follows:

§ 234.290 Certificate of claim. [Revoked]

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interpret or apply sec. 234, 75 Stat. 160; 12 U.S.C. 1715y)

Subpart C—Eligibility Requirements—Projects—Conversion Individual Sales Units

Sec.
234.501 Incorporation by reference.
234.505 Definitions.
234.510 Certification by mortgagee.
234.515 Certification by mortgagor.
234.520 Eligibility of property.
234.525 Maximum mortgage amounts.
234.530 Increased mortgage amounts.
234.535 Adjusted mortgage amount—rehabilitation projects.
234.540 Reduced mortgage amount—leaseholds.
234.545 Prepayment privilege and prepayment charges.
234.550 Late charge.
234.555 Zoning, deed, or building restrictions.
234.560 Supervision by Commissioner.
234.565 Occupancy requirements.
234.570 Advance amortization requirements.
234.700 Effective date.

AUTHORITY: The provisions of this Subpart C issued under sec. 211, 52 Stat. 23, as amended, sec. 234, 75 Stat. 160, as amended; 12 U.S.C. 1715b, 1715y.

Subpart C—Eligibility Requirements—Projects

§ 234.501 Incorporation by reference.

(a) All of the provisions of Subpart A, Part 207 of this chapter concerning eligibility requirements of mortgages covering multifamily housing under section 207 of the National Housing Act apply to blanket mortgages on condominium projects insured under section 234 of the National Housing Act except the following provisions.

Sec.
207.4 Maximum mortgage amounts.
207.11 Soundness of project.
207.14 Prepayment privilege; prepayment and late charges.
207.15 Issuance of bonds secured by trust indenture.
207.19 Required supervision of private mortgagors.
207.20 Occupancy requirements.
207.23 Eligibility of property.
207.24 Development of property.
207.31 Eligibility of miscellaneous type mortgages.
207.32 Eligibility of refinancing transactions.
207.33 Eligibility of mortgages on trailer courts or parks for trailer coach mobile dwellings.

§ 207.37 Effective date.

(b) For the purposes of this subpart all references in Part 207 of this chapter to section 207 of the Act shall be construed to refer to blanket mortgages insured under section 234 of the Act.

§ 234.505 Definitions.

As used in this subpart, the following terms shall have the meaning indicated.

(a) "Act" means the National Housing Act as amended.

(b) "Commissioner" means the Federal Housing Commissioner or his authorized representatives.

(c) "Insured mortgage" means a mortgage insured by the endorsement of the credit instrument by the Commissioner.

(d) "Maturity date" means the date on which the mortgage indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage.

(e) "Mortgage" means such a first lien upon real estate and other property as is commonly given to secure advances on, or the unpaid purchase price of, real estate under the laws of the State, district or territory in which the real estate is located, together with the credit instrument or instruments, if any, secured thereby.

(f) "Mortgagee" means the original lender under a mortgage, and its successors and assigns, and includes the holders of credit instruments issued under a trust indenture, mortgage or deed of trust pursuant to which holders act by and through a trustee therein named.

(g) "Mortgagor" means the original borrower under a mortgage and its successors and assigns.

(h) "Replacement cost" is the cost, as estimated by the Commissioner, of the property or project when the proposed improvements are completed. It may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction and such other items of cost as approved by the Commissioner.

(i) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

§ 234.510 Certification by mortgagee.

The application for insurance shall be accompanied by a certification from the mortgagee that the law of the jurisdiction will permit the project to be converted to a plan of apartment ownership which will meet the requirements of this part.

§ 234.515 Certification by mortgagor.

The application for insurance shall be accompanied by a certification from the mortgagor that it intends, upon completion of the project, to commit the ownership of the project to a plan of apartment ownership under which each family unit in the project will be eligible for individual mortgage insurance under section 234(c) of the Act. The mortgagor shall further certify that it intends faithfully and diligently to make all reasonable effort to establish the plan of apartment ownership and to sell the family units to purchasers approved by the Commissioner.

§ 234.520 Eligibility of property.

(a) A mortgage to be eligible for insurance shall be:

(1) On real estate held in fee simple; or

(2) On the interest of the leasee in real estate held under a lease for not less than ninety-nine years which is renewable, or under a lease having a period of not less than seventy-five years to run from the date the mortgage is executed.

(b) Leases shall contain provisions permitting the conversion of the project to an FHA approved plan of apartment ownership.

(c) The project shall consist of not less than five dwelling units which may be detached, semidetached, or row house, or multifamily structures.

§ 234.525 Maximum mortgage amounts—new construction.

The mortgage may involve a principal obligation not in excess of the lowest of the following limitations:

(a) *Dollar limitation.* $20,000,000 if executed by a Private Mortgagor, or $25,000,000 if executed by a Public Mortgagor.

(b) *Loan-to-value limitation.* 90 percent of the Commissioner's estimate of replacement cost of the project.

(c) *Family unit limitation.* For such part of the property or project attributable to dwelling use (excluding exterior land improvement as defined by the Commissioner) an amount per family unit, depending on the number of bedrooms, which may be:

(1) $9,000 without a bedroom.

(2) $12,500 with one bedroom.

(3) $15,000 with two bedrooms.

(4) $18,500 with three or more bedrooms.

(d) *Individual unit limitation.* An amount equal to the sum of the unit mortgage amounts determined under the provisions of section 234(c) of the Act, assuming the mortgagor to be the owner and occupant of each family unit.

§ 234.530 Increased mortgage amounts.

(a) *Elevator type structures.* In order to compensate for the higher costs incident to construction of elevator type structures of sound standards of construction and design, the Commissioner may increase the dollar amount limitation per family unit as provided in § 234.560(c) to not to exceed:

(1) $10,500 per family unit without a bedroom.

(2) $15,000 per family unit with one bedroom.

(3) $18,000 per family unit with two bedrooms.

(4) $22,500 per family unit with three or more bedrooms.

(b) *High cost areas.* (1) In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase, but not to exceed 45 percent, the dollar amount limitations set forth in paragraph (a) of this section and in § 234.560(c).

(2) If the Commissioner finds that because of high costs in Alaska, Guam, or Hawaii, it is not feasible to construct dwellings without the sacrifice of sound standards of construction, design and livability within the limitations of maximum mortgage amounts provided in this part, the principal obligation of mortgages may be increased in such amounts as may be necessary to compensate for such costs, but not to exceed, in any event, the maximum, including high cost area increases, if any, otherwise applicable by more than one-half thereof.

(c) *Operating losses.* When the Commissioner determines that an operating loss has occurred during the first two years following completion of the project, he may in his discretion and upon such terms and conditions as he may prescribe, permit an increase in the mortgage to cover such loss. For the purposes of this section, an operating loss shall occur when the Commissioner determines that the taxes, interest on the mortgage debt, mortgage insurance premiums, hazard insurance premiums, and the expense of maintenance and operation of the project (excluding depreciation) exceed the project income. The additional advance by the mortgagee to cover the operating loss shall be deemed a part of the original face amount of the mortgage and shall be covered by the mortgage insurance. The regulations, under which the mortgage was originally insured shall govern the payment of insurance benefits on the increased mortgage.

§ 234.535 Adjusted mortgage amount—rehabilitation projects.

In addition to the maximum mortgage amount limitations of § 234.560, a mortgage having a principal amount computed in compliance with the applicable provisions of this subpart, and which involves a project to be repaired or rehabilitated, shall be subject to the following additional limitations:

(a) *Property held in fee.* If the mortgagor is the fee simple owner of the project, the maximum mortgage amount shall not exceed 100 percent of the Commissioner's estimate of the cost of the proposed repairs or rehabilitation.

(b) *Property subject to existing mortgage.* If the mortgagor owns the project subject to an outstanding indebtedness, which is to be refinanced with part of the insured mortgage, the maximum mortgage amount shall not exceed the sum of:

(1) The Commissioner's estimate of the cost of the repair or rehabilitation; and

(2) Such portion of the outstanding indebtedness as does not exceed 90 percent of the Commissioner's estimate of the fair market value of such land and improvements prior to the repair or rehabilitation.

(c) *Property to be acquired.* If the project is to be acquired by the mortgagor and the purchase price is to be financed with a part of the insured mortgage, the maximum mortgage amount shall not exceed 90 percent of the sum of:

(1) The Commissioner's estimate of the cost of the repair or rehabilitation; and

(2) The actual purchase price of the land and improvements, but not in excess of the Commissioner's estimate of the fair market value of such land and improvements prior to the repair or rehabilitation.

§ 234.540 Reduced mortgage amount—leaseholds.

The maximum mortgage amount based upon the limitations of this subpart is subject to reduction by an amount equal to the capitalized value of the ground rent in the event the mortgage is on a leasehold estate rather than on a fee simple holding.

§ 234.545 Prepayment privilege and prepayment charges.

(a) *Prepayment privilege.* The mortgage shall contain a provision permitting the mortgagor to prepay the mortgage in whole or in part upon any interest payment date, after giving to the mortgagee 30 days notice in writing in advance of its intention to prepay.

(b) *Prepayment charge.* The mortgage may contain a provision for such charge, in the event of prepayment of principal, as may be agreed upon between the mortgagor and mortgagee. However, the mortgagor shall be permitted to prepay up to 15 percent of the original principal amount of the mortgage in any one calendar year without any prepayment charge. No prepayment charge shall be collected if prepayment results from either of the following:

(1) A payment requirement of the Commissioner.

(2) Prepayment of the project mortgage as part of a plan for committing

the ownership of the project to family unit ownership.

§ 234.550 Late charge.

The mortgage may provide for the collection by the mortgagee of a late charge, not to exceed two cents for each dollar of each payment to interest and principal more than 15 days in arrears, to cover the extra expense involved in handling delinquent payments. Late charges shall be separately charged to and collected from the mortgagor and shall not be deducted from any aggregate monthly payment.

§ 234.555 Zoning, deed or building restrictions.

The project when constructed or rehabilitated shall not violate any material zoning or deed restrictions applicable to the project site, and shall comply with all applicable building and other governmental regulations.

§ 234.560 Supervision by Commissioner.

(a) *In general.* All of the provisions of § 207.19 of this chapter relating to requirements incident to insurance of advances as well as those concerning labor standards and prevailing wage requirements, apply to mortgages executed by eligible mortgagors under this subpart but paragraphs (a), (b), (e), (f), (g) and (h) of such § 207.19 do not apply.

(b) *Type of supervision.* The Commissioner may regulate and restrict the mortgagor as long as the Commissioner is the insurer, holder or re-insurer of the mortgage. Such regulation or restriction may be in the form of a regulatory agreement, corporate charter or such other means as the Commissioner approves.

§ 234.565 Occupancy requirements.

(a) *Family with children.* The mortgagor shall certify under oath to the Commissioner that:

(1) In selecting tenants for the project, or in selling family units under the plan for apartment ownership, the mortgagor will not discriminate against any family because it includes children.

(2) The mortgagor will not sell the project while the mortgage insurance is in effect, unless the purchaser makes the certification required in subparagraph (1) of this paragraph.

(b) *Transient or hotel purposes.* The mortgagor shall certify under oath to the Commissioner that, so long as the mortgage is insured by the Commissioner, the mortgagor will not rent, permit the rental or permit the offering for rental of the housing, or any part thereof, covered by such mortgage for transient or hotel purposes. For the purpose of this certificate, the term rental for transient or hotel purposes shall mean (1) rental for any period less than 30 days, or (2) any rental, if the occupants of the housing accommodations are provided customary hotel services such as room service for food and beverages, maid service, furnishing and laundering of linens, and bellboy service.

§ 234.570 Advance amortization requirements.

If prior to the beginning of amortization net income, as defined by the Commissioner, is received as a result of the operation of the project, such net income, to the extent determined by the Commissioner, shall be deposited in an escrow account pursuant to an agreement approved by the Commissioner. The agreement shall provide that disbursement shall be made only as directed by the Commissioner.

§ 234.700 Effective date.

Unless otherwise specified, provisions of this subpart shall be effective as to all mortgages with respect to which a commitment to insure is issued on or after September 2, 1964.

Subpart D—Contract Rights and Obligations—Projects—Conversion Individual Sales Units

Sec.
234.751 Incorporation by reference.
234.850 Effective date.

AUTHORITY: The provisions of this Subpart D issued under sec. 211, 52 Stat. 23, as amended, sec. 234, 75 Stat. 160 as amended; 12 U.S.C. 1715b, 1715y.

Subpart D—Contract Rights and Obligations—Projects

§ 234.751 Incorporation by reference.

(a) All of the provisions of §§ 207.251 et seq. (Part 207, Subpart B) of this chapter covering mortgages insured under section 207 of the National Housing Act shall apply to mortgages insured under section 234(d) of the National Housing Act except the following provision:

Sec.
207.264 Effective date.

(b) For the purposes of this subpart, all references in Part 207 of this chapter to section 207 of the Act shall be construed to refer to section 234(d) of the Act, and all references to the Housing Insurance Fund therein shall be construed to refer to the Apartment Unit Insurance Fund.

§ 234.850 Effective date.

Unless otherwise specified, the provisions of this subpart shall be effective as to all mortgages with respect to which a commitment to insured is issued on or after September 2, 1964.

SUBCHAPTER R—WAR HOUSING INSURANCE

PART 603—INDIVIDUAL HOMES, WAR HOUSING MORTGAGE INSURANCE

Subpart B—Contract Rights and Obligations

Section 603.253 is amended to read as follows:

§ 603.253 Forbearance of foreclosure.

(a) *Conditions of special forbearance relief*—(1) *General conditions—Commissioner's prior approval.* The Commissioner may approve special forbearance relief if he finds that the default was due to circumstances beyond the mortgagor's control. Approval is given on condition that the mortgagor and mortgagee enter into a written forbearance agreement providing for:

(i) The reduction or suspension of regular mortgage payments for a specified forbearance period;

(ii) The resumption of regular mortgage payments after the expiration of the forbearance period; and

(iii) The repayment of the total unpaid amount accruing prior and to during the forbearance period on or before the maturity date of the mortgage or on or before a date subsequent to the maturity date which is approved by the Commissioner.

(2) *Special conditions—Commissioner's approval not required.* Special forbearance relief may be granted by the mortgagee, without prior approval of the Commissioner, under the following conditions:

(i) The mortgagor shall establish to the satisfaction of the mortgagee, whose finding shall be conclusive, that:

(*a*) The mortgagor does not own other property subject to a mortgage insured by the Commissioner, and

(*b*) That the default was due to circumstances beyond the control of the mortgagor because of death, illness, or curtailment of income of the mortgagor or a member of his family or because of damage to the mortgaged property against which the mortgagor is not adequately protected by insurance.

(ii) The written forbearance agreement shall:

(*a*) Be limited to a period of 18 months;

(*b*) Provide for the resumption of regular mortgage payments after the expiration of the forbearance period; and

(*c*) Provide for the repayment of the total unpaid amount, accruing prior to and during the forbearance period, on or before a date extending beyond the original maturity for a period no greater than the period of forbearance.

(b) *Reimbursement for uncollected interest.* The mortgagee shall be entitled to receive an allowance in the insurance settlement for unpaid mortgage interest, if the mortgagor fails to meet the requirements of the forbearance agreement and such failure continues for a period of up to 60 days. The interest allowance shall be computed to the earliest of the applicable dates following:

(1) The date of the institution of foreclosure.

(2) The date of the acquisition of the property by the mortgagee by means other than foreclosure.

(3) The date the property was acquired by the Commissioner under a direct conveyance from the mortgagor.

(4) 90 days following the date the mortgagor fails to meet the requirements of the forbearance agreement, or such other date as the Commissioner may approve in writing prior to the expiration of the 90-day period.

(c) *Recasting of mortgage*—(1) *General conditions—Commissioner's prior approval.* In addition to the special forbearance relief afforded in paragraph

(a) of this section, if the Commissioner makes the finding required in paragraph (a) (1) of this section, he may approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting the total unpaid amount due over the remaining term of the mortgage or over such longer period as he may approve. The modification agreement may be effective when executed or upon the termination of a forbearance period.

(2) *Special conditions—Commissioner's approval not required.* The Commissioner's approval for a recasting of the total amount due under the mortgage shall not be required where the mortgagee makes the findings prescribed in paragraph (a) (2) of this section. In such instances, the recasting shall be limited to the remaining term of the mortgage or a term extending not more than 10 years beyond the original maturity date. Notice of such modification, in a manner prescribed by the Commissioner, shall be given within 30 days after the modification agreement is executed.

(3) *Effect of modification.* Where a mortgage is modified, the principal amount of the mortgage, as modified, shall be considered to be the "original principal of the mortgage" as the term is used in § 603.259.

(d) *Assignment of defaulted mortgages.* (1) The Commissioner may approve the assignment to him of any defaulted mortgage covering a one- to four-family residence if he finds that the default was due to circumstnaces beyond the mortgagor's control.

(2) On the date the assignment of the mortgage is filed for record, the mortgagee shall forward to the Commissioner the prescribed application for debentures and fiscal data pertaining to the mortgage transaction, together with receipts covering all disbursements, as required by the fiscal data form and other items as follows:

(i) *Credit and security instruments.* The original credit and security instruments assigned without recourse or warranty, except that no act or omission of the mortgagee shall have impaired the validity and priority of the mortgage.

(ii) *Recorded assignment instrument.* The original of the recorded assignment of the mortgage (if the original of the assignment is not available, a copy shall be furnished and the original forwarded as soon as possible).

(iii) *Hazard insurance.* All hazard insurance policies held in connection with a mortgaged property, together with a copy of the mortgagee's notification to the carrier authorizing the amendment of the loss payable clause substituting the Commissioner as the mortgagee.

(iv) *Rights and interests.* An assignment of all rights and interests arising under the mortgage, and all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction.

(v) *Cash or property.* All cash or property held by the mortgagee or to which it is entitled, including deposits made for the account of the mortgagor and which have not been applied in reduction of the principal mortgage indebtedness.

(vi) *Records and accounts.* All records, ledger cards, documents, books, papers and accounts relating to the mortgage transaction.

(vii) *Additional information.* Any additional information or data which the Commissioner may require.

(3) *Title evidence upon assignment.* Within 60 days after the assignment of a mortgage is filed for record, the mortgagee shall furnish to the Commissioner all title evidence held by the mortgagee, extended to include the assignment of the mortgage to the Commissioner.

(4) *Certification by mortgagee.* At the time of assignment of the mortgage, the mortgagee shall certify to the Commissioner that:

(i) *Priority of mortgage to liens.* The mortgage is prior to all mechanics' and materialmens' liens filed of record, regardless of when such liens attached, and prior to all liens and encumbrances, or defects which may arise, except such liens or other matters as may have been approved by the Commissioner.

(ii) *Amount due.* The amount stated in the instrument of assignment is actually due and owing under the mortgage.

(iii) *Offsets or counterclaims.* There are no offsets or counterclaims thereto and the mortgagee has a good right to assign.

(5) *Condition of property.* The property covered by the mortgage which is assigned shall meet all of the provisions of § 603.259.

In § 603.259 paragraphs (a) (1), (a) (2) and (e) are amended, former paragraph (a) (3) is redesignated as paragraph (a) (5), and new paragraphs (a) (3) and (a) (4) are added as follows:

§ 603.259 Condition of property when transferred; delivery of debentures; certificate of claim; and definition of the term "waste".

(a) * * *

(1) Debentures of the War Housing Insurance Fund as set forth in section 604 of the Act, issued as of a date to be determined as follows:

(i) Where the property is conveyed to the Commissioner and the debentures are issued prior to September 2, 1964, or the debentures are issued on or after such date and a certificate of claim is also issued, the debentures shall be issued as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, or the property was acquired by the Commissioner if directly conveyed to him from the mortgagor.

(ii) Where the property is conveyed to the Commissioner and the debentures are issued on or after September 2, 1964, and a certificate of claim is not issued, the debentures shall be issued as of the first of the month following the date of default, as defined in this part.

(iii) Where the insurance settlement includes an allowance for uncollected interest pursuant to § 603.253(b), as of the applicable date specified in subdivision (i) of this subparagraph.

(iv) Where the mortgage is assigned to the Commissioner, debentures shall be issued as of the date of the assignment.

(2) The debentures shall bear interest at the rate of 2½ percent per annum in the case of mortgages endorsed for insurance prior to July 8, 1953, and at the rate of 2¾ percent per annum in the case of mortgages endorsed for insurance on or after July 8, 1953, and at the rate of 2½ percent per annum if issued in exchange for property accepted for insurance pursuant to commitments issued by the Commisssioner on or after May 29, 1954, payable semiannually on the first day of January and the first day of July of each year.

(3) The debentures shall have a total face value equal to the value of the mortgage as defined in section 604(a) of the Act. Such value shall be determined by adding to the original principal of the mortgage, which was unpaid on the date of the institution of foreclosure proceedings, or the acquisition of the property otherwise after default, the amount of all payments which have been made by the mortgagee for taxes, ground rent, and water rates, which are liens prior to the mortgage, special assessments, which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance on the property mortgaged and any mortgage insurance premiums paid after the institution of foreclosure proceedings or the acquisition of the property otherwise after default, and by deducting from such total any amount received on account of the mortgage after the institution of foreclosure proceedings or the acquisition of the property otherwise after defaut and from any source relating to the property on account of rent or other income after deducting reasonable expenses incurred in handling the property. If the unpaid principal obligation at the time of the institution of foreclosure proceedings exceeds 80 percent of the appraised value of the property as of the date the mortgage was accepted for insurance, there shall also be included in the debentures issued by the Commissioner, on account of the cost of foreclosure (or of acquiring the property by other means) actually paid by the mortgagee and approved by the Commissioner an amount:

(i) Not in excess of two percent of the unpaid principal of the mortgage as of the date of the institution of foreclosure proceedings and not in excess of $75; or

(ii) Not in excess of two-thirds of such cost, whichever is the greater. With respect to mortgages to which the provisions of sections 302 and 306 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, apply and which are insured under section 603 of the National Housing Act, there shall be included in the debentures and amount which the Commissioner finds to be sufficient to compensate the mortgagee for any loss which it may have sustained on account of interest on debentures and the payment of mortgage insurance premiums by reason of its having postponed the institution of foreclosure proceedings or

the acquisition of the property by other means during any part or all of the period of such military service and three months thereafter. Debentures shall be registered as to principal and interest. Debentures shall, at the option of the Commissioner and with the approval of the Secretary of the Treasury, be redeemed at par and accrued interest on any interest payment day on three months' notice of redemption given in such manner as the Commissioner shall prescribe.

(4) The mortgagee may, by filing a written request with the application for debentures, receive in addition to the debentures and the cash adjustment check, a certificate of claim issued in accordance with section 604(e) of the Act. This certificate shall become payable, if at all, as prescribed in section 604(f) of the Act. This certificate shall be for an amount which the Commissioner shall determine to be sufficient to pay all amounts due under the mortgage and not covered by the amount of debentures. It shall include a reasonable amount for necessary expenses incurred by the mortgagee in connection with the foreclosure proceedings or the acquisition of the mortgaged property otherwise and the conveyance thereof to the Commissioner, including reasonable attorney's fees, unpaid interest and cost of repairs to the property made by the mortgagee after default to remedy the waste mentioned in this section. Each certificate of claim shall provide that there shall accrue to the holder thereof with respect to the face amount of the certificate, an increment at the rate of three percent per annum.

* * * * *

(e) Upon an acceptable assignment of the mortgage, the Commissioner shall issue to the mortgagee debentures having a total face value equal to the sum of the following items:

(1) The unpaid principal balance of the loan plus any unpaid mortgage interest.

(2) Reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner.

(3) Any advances made under the mortgage and approved by the Commissioner.

* * * * *

(Sec. 607, 55 Stat. 61; 12 U.S.C. 1742)

SUBCHAPTER R—WAR HOUSING INSURANCE

PART 608—MULTIFAMILY PROJECTS; WAR HOUSING MORTGAGE INSURANCE

Subpart B—Contract Rights and Obligations

In § 608.252 paragraph (b) is amended to read as follows:

§ 608.252 Annual mortgage insurance premiums.

* * * * *

(b) Until the mortgage is paid in full or until receipt by the Commissioner of an application for insurance benefits, or until the contract of insurance is otherwise terminated with the consent of the Commissioner, the mortgagee, on each anniversary of the date of the first principal payment, shall pay an annual mortgage insurance premium equal to one-half of one percent of the average outstanding principal obligation of the mortgage for the year following the date on which such premium becomes payable.

* * * * *

In § 608.253 a new paragraph (c)(8) is added to read as follows:

§ 608.253 Adjusted premium and termination charges.

* * * * *

(c) * * *

(8) Where the mortgage is paid in full after July 1, 1962 by or on behalf of a mortgagor that is a nonprofit educational institution which intends to use the property for educational purposes.

* * * * *

SUBCHAPTER T—MILITARY AND ARMED SERVICES HOUSING MORTGAGE INSURANCE

PART 803—ARMED SERVICES HOUSING—MILITARY PERSONNEL

Subpart B—Contract Rights and Obligations

In § 803.252 paragraph (c) is amended to read as follows:

§ 803.252 Method of payment.

* * * * *

(c) Until the mortgage is paid in full, or until receipt by the Commissioner of an application for insurance benefits, or until the contract of insurance is otherwise terminated with the consent of the Commissioner, the mortgagee, on each anniversary of the date of the first principal payment shall pay an annual mortgage insurance premium equal to one-quarter of one percent of the average outstanding principal obligation of the mortgage for the year following the date upon which such payment becomes payable; except that the annual mortgage insurance premium rate shall be reviewed and shall be subject to revision on July 1, 1959 and at the end of each three-year period thereafter by the Commissioner, the Secretary of Defense, and the Secretary of the Treasury or their designees, to a rate justified by the loss experience of the Armed Services Housing Mortgage Insurance Fund and the rate payable as the mortgage insurance premium shall be that determined as a result of the aforesaid review and revision: *Provided,* That in no event shall such premium charge exceed one-half of one percent: *And provided further,* That any change in the annual mortgage insurance premium rate will become effective only with respect to premiums which become due on the first day of the month following such revision.

* * * * *

PART 810—ARMED SERVICES HOUSING—IMPACTED AREAS

Subpart A—Eligibility Requirements—Projects

In § 810.35 paragraph (c) is amended to read as follows:

§ 810.35 Maximum mortgage amounts—Multifamily Rental Projects.

* * * * *

(c) For such part of the property or project attributable to dwelling use, an amount per family unit, depending on the number of bedrooms, which may be:

(1) $9,000 without a bedroom.

(2) $12,500 with one bedroom.

(3) $15,000 with two bedrooms.

(4) $18,500 with three or more bedrooms.

In § 810.45 paragraph (a) is amended to read as follows:

§ 810.45 Increased mortgage amounts—high cost areas.

(a) In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase, by not to exceed 45 percent the dollar amount limitations set forth in § 810.35(c).

* * * * *

(Sec. 807, 69 Stat. 651; 12 U.S.C. 1748f. Interpret or apply sec. 810, 73 Stat. 683; 12 U.S.C. 1748h–2)

SUBCHAPTER U—NATIONAL DEFENSE HOUSING INSURANCE

PART 903—INDIVIDUAL RESIDENCES; NATIONAL DEFENSE HOUSING MORTGAGE INSURANCE

Subpart B—Contract Rights and Obligations

Section 903.256 is amended to read as follows:

§ 903.256 Forbearance of foreclosure.

(a) *Conditions of special forbearance relief*—(1) *General conditions—Commissioner's prior approval.* The Commissioner may approve special forbearance relief if he finds that the default was due to circumstances beyond the mortgagor's control. Approval is given on condition that the mortgagor and mortgagee enter into a written forbearance agreement providing for:

(i) The reduction or suspension of regular mortgage payments for a specified forbearance period;

(ii) The resumption of regular mortgage payments after the expiration of the forbearance period; and

(iii) The repayment of the total unpaid amount accruing prior to and during the forbearance period on or before the maturity date of the mortgage or on or before a date subsequent to the maturity date which is approved by the Commissioner.

(2) *Special conditions—Commissioner's approval not required.* Special forbearance relief may be granted by the mortgagee, without prior approval of the

Commissioner, under the following conditions:

(i) The mortgagor shall establish to the satisfaction of the mortgagee, whose finding shall be conclusive that:

(*a*) The mortgagor does not own other property subject to a mortgage insured by the Commissioner, and

(*b*) That the default was due to circumstances beyond the control of the mortgagor because of death, illness, or curtailment of income of the mortgagor or a member of his family or because of damage to the mortgaged property against which the mortgagor is not adequately protected by insurance.

(ii) The written forbearance agreement shall:

(*a*) Be limited to a period of 18 months;

(*b*) Provide for the resumption of regular mortgage payments after the expiration of the forbearance period; and

(*c*) Provide for the repayment of the total unpaid amount, accruing prior to and during the forbearance period, on or before a date extending beyond the original maturity for a period no greater than the period of forbearance.

(b) *Reimbursement for uncollected interest.* The mortgagee shall be entitled to receive an allowance in the insurance settlement for unpaid mortgage interest, if the mortgagor fails to meet the requirements of the forbearance agreement and such failure continues for a period of up to 60 days. The interest allowance shall be computed to the earliest of the applicable dates following:

(1) The date of the institution of foreclosure.

(2) The date of the acquisition of the property by the mortgagee by means other than foreclosure.

(3) The date the property was acquired by the Commissioner under a direct conveyance from the mortgagor.

(4) 90 days following the date the mortgagor fails to meet the requirements of the forbearance agreement, or such other date as the Commissioner may approve in writing prior to the expiration of the 90-day period.

(c) *Recasting of mortgage*—(1) *General conditions—Commissioner's prior approval.* In addition to the special forbearance relief afforded in paragraph (a) of this section, if the Commissioner makes the finding required in paragraph (a)(1) of this section, he may approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting the total unpaid amount due over the remaining term of the mortgage or over such longer period as he may approve. The modification agreement may be effective when executed or upon the termination of a forbearance period.

(2) *Special conditions—Commissioner's approval not required.* The Commissioner's approval for a recasting of the total amount due under the mortgage shall not be required where the mortgagee makes the findings prescribed in paragraph (a)(2) of this section. In such instances, the recasting shall be limited to the remaining term of the mortgage or a term extending not more than 10 years beyond the original maturity date. Notice of such modification, in a manner prescribed by the Commissioner, shall be given within 30 days after the modification agreement is executed.

(3) *Effect of modification.* Where a mortgage is modified, the principal amount of the mortgage, as modified, shall be considered to be the "original principal of the mortgage" as the term is used in § 903.262.

(d) *Assignment of defaulted mortgages.* (1) The Commissioner may approve the assignment to him of any defaulted mortgage covering a one- to four-family residence if he finds that the default was due to circumstances beyond the mortgagor's control.

(2) On the date the assignment of the mortgage is filed for record, the mortgagee shall forward to the Commissioner the prescribed application for debentures and fiscal data pertaining to the mortgage transaction, together with receipts covering all disbursements, as required by the fiscal data form and other items as follows:

(i) *Credit and security instruments.* The original credit and security instruments assigned without recourse or warranty, except that no act or omission of the mortgagee shall have impaired the validity and priority of the mortgage.

(ii) *Recorded assignment instrument.* The original of the recorded assignment of the mortgage (if the original of the assignment is not available, a copy shall be furnished and the original forwarded as soon as possible).

(ii) *Hazard insurance.* All hazard insurance policies held in connection with a mortgaged property, together with a copy of the mortgagee's notification to the carrier authorizing the amendment of the loss payable clause substituting the Commissioner as the mortgagee.

(iv) *Rights and interests.* An assignment of all rights and interests arising under the mortgage, and all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction.

(v) *Cash or property.* All cash or property held by the mortgagee or to which it is entitled, including deposits made for the account of the mortgagor and which have not been applied in reduction of the principal mortgage indebtedness.

(vi) *Records and accounts.* All records, ledger cards, documents, books, papers and accounts relating to the mortgage transaction.

(vii) *Additional information.* Any additional information or data which the Commissioner may require.

(3) *Title evidence upon assignment.* Within 60 days after the assignment of a mortgage is filed for record, the mortgagee shall furnish to the Commissioner all title evidence held by the mortgagee, extended to include the assignment of the mortgage to the Commissioner.

(4) *Certification by mortgagee.* At the time of assignment of the mortgage, the mortgagee shall certify to the Commissioner that:

(i) *Priority of mortgage to liens.* The mortgage is prior to all mechanics' and materialmens' liens filed of record, regardless of when such liens attached, and prior to all liens and encumbrances, or defects which may arise, except such liens or other matters as may have been approved by the Commissioner.

(ii) *Amount due.* The amount stated in the instrument of assignment is actually due and owing under the mortgage.

(iii) *Offsets or counterclaims.* There are no offsets or counterclaims thereto and the mortgagee has a good right to assign.

(5) *Condition of property.* The property covered by the mortgage which is assigned shall meet all of the provisions of § 903.262.

In § 903.262 paragraphs (a)(1)(i), (a)(2) and (e) are amended to read as follows:

§ 903.262 Condition of property when transferred; delivery of debentures; certificate of claim and definition of the term "waste".

(a) * * *

(1) * * *

(i) Be issued as of a date to be determined as follows:

(*a*) Where the property is conveyed to the Commissioner and the debentures are issued prior to September 2, 1964, or the debentures are issued on or after such date and a certificate of claim is also issued, the debentures shall be issued as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, or the property was acquired by the Commissioner if directly conveyed to him from the mortgagor;

(*b*) Where the property is conveyed to the Commissioner and the debentures are issued on or after September 2, 1964, and a certificate of claim is not issued, the debentures shall be issued as of the first of the month following the date of default, as defined in this part.

(*c*) Where the insurance settlement includes an allowance of uncollected interest pursuant to § 903.256(b), as of the applicable date specified in (*a*) of this subdivision.

(*d*) Where the mortgage is assigned to the Commissioner, debentures shall be issued as of the date of the assignment.

* * * * *

(2) The mortgage may, by filing a written request with the application for debentures, receive in addition to the debentures and the cash adjustment check, a certificate of claim issued in accordance with section 904(e) of the Act. This certificate shall become payable, if at all, as prescribed in section 904 (e) of the Act. This certificate shall be for an amount which the Commissioner determines to be sufficient to pay all amounts due under the mortgage and not covered by the amount of debentures and cash adjustment check. It shall include a reasonable amount for necessary expenses incurred by the mortgagee in connection with the foreclosure proceedings or the acquisition of the mortgaged property otherwise and the conveyance thereof to the Commissioner, including reasonable attorney's fees, unpaid interest and cost of repairs to the property made by the mortgagee to remedy waste. Each certificate of claim shall provide

that there shall accrue to the holder thereof with respect to the face amount of the certificate, an increment at the rate of three percent per annum.

* * * * *

(e) Upon an acceptable assignment of the mortgage, the Commissioner shall issue to the mortgagee debentures having a total face value equal to the sum of the following items:

(1) The unpaid principal balance of the loan plus any unpaid mortgage interest.

(2) Reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner.

(3) Any advances made under the mortgage and approved by the Commissioner.

* * * * *

(Sec. 907, 65 Stat. 295; 12 U.S.C. 1750f)

Issued at Washington, D.C., September 2, 1964.

PHILIP N. BROWNSTEIN,
Federal Housing Commissioner.

[F.R. Doc. 64-9048; Filed, Sept. 4, 1964; 8:48 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER F—PROCEDURE AND ADMINISTRATION

[T.D. 6757]

PART 301—PROCEDURE AND ADMINISTRATION

Inspection of Certain Interest Equalization Tax Information Returns by the Board of Governors of the Federal Reserve System and the Federal Reserve Banks

Section 301.6103(a)-107 is inserted immediately after § 301.6103(a)-106 to read as follows:

§ 301.6103(a)-107 Inspection of certain interest equalization tax information returns by the Board of Governors of the Federal Reserve System and the Federal Reserve Banks.

(a) Pursuant to the provisions of section 6103(a) of the Internal Revenue Code of 1954 (68A Stat. 753; 26 U.S.C. 6103(a)) as amended by section 3(c) of the Interest Equalization Tax Act, approved September 2, 1964 (Public Law 88-563), and the Executive order issued thereunder,[1] and in the interest of sound administration of the interest equalization tax, any information return made by a commercial bank with respect to loans and commitments to foreign obligors under section 6011(d)(2) of the Internal Revenue Code of 1954, as added by section 3(a) of the Interest Equalization Tax Act, shall be open to inspection by the Board of Governors of the Federal Reserve System and the Federal Reserve Banks. Such inspection may be made by—

(1) A member or employee of the Board of Governors of the Federal Reserve System duly authorized by the Board, or

(2) An officer or employee of a Federal Reserve Bank duly authorized by the president of such Bank.

Upon written notice by the Board of Governors of the Federal Reserve System or the president of a Federal Reserve Bank to the Secretary of the Treasury stating that it is desired to inspect information returns made by commercial banks with respect to loans and commitments to foreign obligors under section 6011(d)(2) of the Internal Revenue Code of 1954, the Secretary of the Treasury, or any officer or employee of the Department of the Treasury with the approval of the Secretary, may furnish the Board or the Bank with any data on such returns or make the returns available for inspection and the taking of such data as the Board or the president of the Bank may designate. Such data may be furnished or such returns may be made available for inspection, in the offices of the Board of Governors of the Federal Reserve System or in the offices of the Federal Reserve Bank, as the case may be. Any information thus obtained shall be held confidential except that it may be published or disclosed in statistical form provided such publication does not disclose, directly or indirectly, the name or address of any person filing such a return.

(b) This section shall be effective upon its filing for publication in the FEDERAL REGISTER.

[SEAL] DOUGLAS DILLON,
Secretary of the Treasury.

Approved: September 3, 1964.

LYNDON B. JOHNSON,
The White House.

[F.R. Doc. 64-9134; Filed, Sept. 4, 1964; 11:37 a.m.]

Title 32A—NATIONAL DEFENSE, APPENDIX

Chapter I—Office of Emergency Planning

[Defense Mobilization Order 8555.1; Amdt. 1]

DMO 8555.1—OEP POLICY GUIDANCE ON GOVERNMENT-OWNED PRODUCTION EQUIPMENT

Deletion of Certain Provisions

1. Defense Mobilization Order 8555.1 dated November 13, 1963 (28 F.R. 12581) is hereby amended by deleting paragraph 6b(5).

2. This amendment is effective the date of issuance.

Dated: August 31, 1964.

FRANKLIN B. DRYDEN,
Acting Director,
Office of Emergency Planning.

[F.R. Doc. 64-9047; Filed, Sept. 4, 1964; 8:47 a.m.]

Title 41—PUBLIC CONTRACTS

Chapter 9—Atomic Energy Commission

PART 9-4—SPECIAL TYPES AND METHODS OF PROCUREMENT

Subpart 9-4.51—Washington-Designated Research and Development Contracts with Educational Institutions

PART 9-16—PROCUREMENT FORMS

Subpart 9-16.50—Contract Outlines

MISCELLANEOUS AMENDMENTS

(1) Section 9-4.5109-7, Equipment report, is amended by deleting the present subparagraph (a) and substituting the following:

§ 9-4.5109-7 Equipment report.

(a) An equipment report itemizing equipment having an anticipated service life of one year or more and an acquisition cost in excess of $100, either purchased or fabricated, when title to such equipment is vested in the contractor pursuant to the Grant Act (P.L. 85-934), shall be furnished by the contractor, immediately following the expiration of the contract year as specified in Appendix A of the fixed-price contract set forth in AECPR 9-16.5002-8 (omit any item appearing in Article V) and in accordance with the requirements of Appendix A-III of the cost-type contract set forth in AECPR 9-16.5002-9. Where the cost of individual pieces of equipment exceeds $500, they will be listed individually. Where individual items cost between $100 and $500, they will also be listed individually to the extent practicable, or grouped in general categories, such as "electronics equipment" or "6 motors," with the total dollar amount of such category. The cost of purchased items shall be determined by the actual invoice cost of such items, but the cost of fabricated items may be established by engineering estimates.

* * * * *

(2) Section 9-16.5002-8, Appendix A, paragraph A-III is deleted and the following substituted:

§ 9-16.5002-8 [Amended]

A-III. *Equipment to be purchased or fabricated by the Contractor—Estimated cost.* (Set forth each piece of equipment to be purchased or fabricated* by the Contractor irrespective of whether title is to remain in the Contractor. Where it is not practical to identify each individual piece of equipment, such equipment may be set forth in general classifications as specifically as possible with the total estimated cost of each group of items. The description of equipment should at least be as detailed as the approved proposal upon which the contract is based. Except where the contract may otherwise specifically provide, equipment for the purpose of this paragraph A-III shall mean an item of personal property having a useful life expectancy in excess of one year and an acquisition cost in excess of $500.)

(3) Section 9-16.5002-8, Outline of fixed-price contract for research and development with educational institu-

[1] E.O. 11176, Title 3, supra.

tions, is amended by deleting paragraph entitled "Report of equipment purchased or fabricated" in Article B–XXI and substituting therefore the following:

REPORT OF EQUIPMENT PURCHASED OR FABRICATED

The Contractor shall itemize equipment having a useful life expectancy in excess of one year and an acquisition cost in excess of $100 purchased or fabricated (omit any items appearing in Article V) and submit a report thereof immediately following the expiration of the contract year specified in Article II. Where the cost of individual pieces of equipment exceeds $500, they will be listed individually. Where individual items cost $100 to $500, they will also be individually listed to the extent practical or grouped in general categories, such as "electronic equipment" or "6 motors," with the total dollar amount of such category. The cost of purchased items shall be determined by the actual invoice cost of such items, but the cost of fabricated items may be established by engineering estimates.

§ 9–16.5002–9 [Amended]

(4) Section 9–16.5002–9, Outline of cost-type contract for research and development with educational institutions, is amended by adding thereto the following after the present Article II—The Period of Performance:

When authorized or directed by the appropriate Headquarters Program Division, one of the following alternate Articles II may be substituted for the above:

ARTICLE II—THE PERIOD OF PERFORMANCE

ALTERNATE A

It is presently estimated that the term of the contract [as modified by Modification No. ------] will run through ---------- 19--, and the Contractor agrees based on this estimate to submit its recommendations each year respecting the work program for the subsequent year, as elsewhere in this contract provided for. Neither party guarantees the correctness of this estimate, and, in any event, it is agreed that the period of performance will expire at the end of ---------- 19-- [note that this will be a yearly period], or on any anniversary of said date during the said estimated term, if the parties do not mutually agree in writing to extend the period of performance for an additional yearly period.

ARTICLE II—THE PERIOD OF PERFORMANCE

ALTERNATE B

It is presently estimated that the term of the contract [as modified by Modification No. --------] will run through ---------- 19--, and the Contractor agrees based on this estimate to submit its recommendations each year respecting the work program for the subsequent year, as elsewhere in this contract provided for. Neither party guarantees the correctness of this estimate, and, in any event, it is agreed that the period of performance will expire at the end of ----------, 19-- [note that this will be a yearly period], or on any anniversary of said date during the said estimated term, unless the Commission, at its option, by written notice to the Contractor prior to the expiration of the pertinent period, extends the period of performance for an additional yearly period.

(5) Section 9–16.5002–9, Outline of cost-type contract for research and development with educational institutions, Appendix A is deleted and the following substituted:

APPENDIX A

Contractor: ----------
Contract No. ------

I. *Research to be performed.* [Insert description of research activity.]

II. *Equipment title to which is to be vested in the Contractor.* Title to the following equipment shall vest and remain in the Contractor. Title to additional items of equipment may be vested in the Contractor if approved in writing by the Contracting Officer. [List all equipment to be purchased or fabricated by the Contractor, where it is known at the time the contract is executed that title to such equipment will vest in and remain in the Contractor. Where the estimated cost of individual pieces of equipment exceeds $500, they will be listed individually. Where individual pieces cost between $100 and $500, they shall also be listed individually to the extent practicable, or grouped in general categories, such as "electronic equipment" or "6 motors," with the total dollar amount of such category. Insert the word "none" if title to all property is to vested in the Government.]

III. *Reports.* [Set forth reporting and report distribution requirements, including reports of equipment having a useful life expectancy in excess of one year and an acquisition cost in excess of $100 purchased or fabricated by the Contractor where title is to be vested in the Contractor. Where the cost of individual pieces of equipment exceeds $500, they will be listed individually. Where individual items cost $100 to $500, they will also be individually listed to the extent practical, or grouped in general categories, such as "electronic equipment" or "6 motors," with the total dollar amount of such category. The cost of purchased items shall be determined by the actual invoice cost of such items, but the cost of fabricated items may be established by engineering estimates. Reproduction of final reports shall be performed consistent with Government Printing and Binding Regulations.]

(Sec. 161 of the Atomic Energy Act of 1954, as amended, 68 Stat. 948, 42 U.S.C. 2201; sec. 205 of the Federal Property and Administrative Services Act of 1949, as amended, 63 Stat. 390, 40 U.S.C. 486)

Effective date. These amendments are effective upon publication in the FEDERAL REGISTER.

Dated at Germantown, Md., this 31st day of August 1964.

For the U.S. Atomic Energy Commission.

JAMES SCAMMAHARN,
Acting Director,
Division of Contracts.

[F.R. Doc. 64–9042; Filed, Sept. 4, 1964; 8:47 a.m.]

Title 42—PUBLIC HEALTH

Chapter I—Public Health Service, Department of Health, Education, and Welfare

SUBCHAPTER D—GRANTS

PART 54—GRANTS FOR CONSTRUCTION OF SPECIALIZED SERVICE FACILITIES

Subpart A—Grants for Construction of University Affiliated Facilities for the Mentally Retarded

Notice of proposed rule making, public rule making procedures and postponement of effective date have been omitted in the issuance of the following Subpart A—Grants for Construction of University Affiliated Facilities for the Mentally Retarded of new Part 54—Grants for Construction of Specialized Service Facilities, which relates solely to grants for construction of public and other nonprofit facilities for the mentally retarded which are associated with colleges or universities.

These grants provide Federal financial assistance subject to the requirements of Title VI of the Civil Rights Act of 1964, approved July 2, 1964 (78 Stat. 252; P.L. 88–352). Section 601 of that Act provides that no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Therefore grants made pursuant to the regulations set forth below are subject to this provision and to such applicable rules, regulations or orders as may hereafter be issued with the approval of the President to effectuate the provisions of section 601.

The following regulations shall become effective on the date of publication in the FEDERAL REGISTER.

Sec.
54.1 Definitions.
54.2 Eligibility.
54.3 Nondiscrimination in construction contracts.
54.4 Terms and conditions.
54.5 Payments.
54.6 Good cause for other use of completed facilities.
54.7 General standards of construction and equipment.

AUTHORITY: The provisions of the Subpart A issued under secs. 122–124, 77 Stat. 284–285; 42 U.S.C. 2662–2664; 28 F.R. 13374. Interpret or apply secs. 121–125, 401, 77 Stat. 284–285, 296, 42 U.S.C. 2661–2665.

§ 54.1 Definitions.

As used in this part:

(a) All terms shall have the same meaning as given them in the Act.

(b) "Act" means the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963. (P.L. 88–164.)

(c) "Affiliated hospital" means a hospital which has a written agreement with a college or university providing for effective control by such college or university of the teaching in the hospital.

(d) "Equipment" means those items which are necessary for the functioning of the facilities and which are considered depreciable and as having an estimated life of not less than five years. Not included are such items as glassware, chemicals, and fuel.

§ 54.2 Eligibility.

In order to be eligible for consideration for grant assistance:

(a) The application must be for construction of a public or other nonprofit clinical facility for the mentally retarded which will provide, as nearly as practicable, a full range of inpatient and outpatient services for the mentally retarded and which will either:

(1) Aid in the clinical training of physicians and other specialized personnel needed for research, diagnosis and treatment, education, training, or care of the mentally retarded; or

(2) Aid in demonstrating provision of specialized services for the diagnosis and treatment, education, training or care of the mentally retarded.

(b) The applicant must either (1) be a college or university, or an affiliated hospital, which will own and operate a facility for the mentally retarded, or (2) have a written agreement, not of a temporary nature, with a college or university or with an affiliated hospital providing, to the extent practicable, for the integration of the functions and activities of the facility for the mentally retarded with the programs of the college or university or of an affiliated hospital, through, but not limited to, the joint use of certain facilities, services, and equipment, the planning of curriculum and course work for the joint training of personnel, and the interchange of teaching staff and students.

§ 54.3 Nondiscrimination in construction contracts.

Each construction grant shall be subject to the condition that the grantee shall comply with the requirements of, and give the assurances required in, Executive Order 11114, June 22, 1963 (28 F.R. 6485), and the applicable rules, regulations and procedures prescribed pursuant thereto by the President's Committee on Equal Employment Opportunity (28 F.R. 9812).

§ 54.4 Terms and conditions.

In addition to any other requirements imposed by law or determined by the Surgeon General to be reasonably necessary with respect to a particular project or projects to fulfill the purpose of the grant, each construction grant shall be subject to the condition that the applicant will furnish and comply with the following assurances. The Surgeon General may, at any time, approve exceptions to these terms and conditions where he finds that such exceptions are consistent with the Act and the purposes of the program:

(a) That applicant (or the public or nonprofit agency which is to operate the facility) has a fee simple or such other estate or interest in the site, including necessary easements and rights-of-way, sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purpose of the construction and operation of the facility;

(b) That the Surgeon General's approval of the final working drawings and specifications, which conform to the general standards of construction and equipment (§ 54.7), will be obtained before the project is advertised or placed on the market for bidding;

(c) That applicant will perform actual construction work by the lump sum (fixed price) contract method; employ adequate methods of obtaining competitive bidding prior to awarding the construction contract, either by public advertising or circularizing three or more bidders; and award the contract to the responsible bidder submitting the lowest acceptable bid;

(d) That applicant will enter into no construction contract or contracts for the project or a part thereof, the cost of which is in excess of the estimated cost approved in the application for that portion of the work covered by the plans and specifications, without the prior approval of the Surgeon General;

(e) That applicant will finance all costs in excess of the estimated costs approved in the application and submit to the Surgeon General for prior approval changes that substantially alter the scope of work, function, utilities, or safety of the facility;

(f) That applicant will construct the project, or cause it to be constructed, to final completion in accordance with the grant application and approved plans and specifications;

(g) That applicant will maintain adequate and separate accounting and fiscal records and accounts for all funds provided from any source to pay the cost of the project, and permit audit of such records and accounts at any reasonable time;

(h) That applicant will furnish progress reports and such other information as the Surgeon General may require;

(i) That applicant will provide and maintain competent and adequate architectural or engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications;

(j) That sufficient funds will be available to meet the nonfederal share of the cost of constructing the facility;

(k) That sufficient funds will be available when construction is completed for effective use of the facility for the purposes for which it is being constructed;

(l) That for not less than 20 years after completion of construction the facility will continue to be (1) a public or nonprofit facility for the mentally retarded, and (2) owned and operated by the college or university, or associated with the college or university, as provided in § 54.2(b).

(m) (1) That any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined in accordance with the Davis-Bacon Act (40 U.S.C. 276a–276a–5) and will receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any work week in excess of eight hours in any calendar day or forty hours in the work week (40 U.S.C. 327–332); and

(2) That the following conditions and provisions will be included in all construction contracts:

(i) The provisions set forth in "Labor Standards for United States Public Health Service Construction Grant Programs" PHS No. 930–A–5 pertaining to the Copeland Act (Anti-Kickback) Regulations and Labor Standards (prevailing rates of pay and overtime requirements) except in the case of contracts in the amount of $2,000 or less;

(ii) The contractor shall furnish performance and payment bonds in the full amount of the contract price, and shall maintain, during the life of the contract, adequate fire, workmen's compensation, public liability and property damage insurance;

(iii) Representatives of the Public Health Service and such other persons as the Surgeon General may designate, will have access at all reasonable times to work wherever it is in preparation or progress, and the contractor shall provide proper facilities for such access and inspection.

§ 54.5 Payments.

(a) Except as provided in paragraph (b) of this section, payments shall be made at the request of the applicant, shall be based on the cost of work performed, materials and equipment furnished, and services performed as follows:

(1) The first installment when not less than 25 percent of the construction of the project has been completed;

(2) A second installment when not less than 50 percent of the construction of the project has been completed;

(3) A third installment when not less than 75 percent of the project has been completed;

(4) A fourth installment when the project is 95 percent completed; and

(5) The final payment when the project is completed and final inspection by a representative of the Surgeon General is made and the amount certified as due and payable as determined by the audit.

(b) Upon a written request and a showing of necessity by the applicant, the Surgeon General may adopt a different schedule of payments.

§ 54.6 Good cause for other use of completed facilities.

If, within twenty years after the completion of construction of any facility with respect to which a construction grant has been made, the facility shall cease to be a public or other nonprofit facility for the mentally retarded, the Surgeon General, in determining whether there is good cause for releasing the applicant or other owner from the obligation to continue as such a facility, shall take into consideration the extent to which:

(a) The facility will be devoted by the applicant or other owner to the provision of comprehensive health services, demonstrations, or clinical training comparable to that provided for the mentally retarded, and the failure of the facility to continue as a public or other nonprofit facility for the mentally retarded was reasonably beyond the control of the applicant; or

(b) There are reasonable assurances that for the remainder of the twenty-year period, other facilities not previously utilized for providing services to the mentally retarded, or for demonstrating the provision of specialized services for the mentally retarded or in the clinical training of physicians and other specialized personnel needed for research,

diagnosis and treatment, education, training, or care of the mentally retarded will be so utilized and are substantially the equivalent in nature and extent for such purposes.

§ 54.7 General standards of construction and equipment.

The general standards of construction and equipment applicable to these facilities are those prescribed under section 133(3) of the Act and set forth in Subpart B of this part.

Dated: May 28, 1964.

[SEAL] LUTHER L. TERRY,
Surgeon General.

Approved: September 1, 1964.

ANTHONY J. CELEBREZZE,
Secretary.

[F.R. Doc. 64-9058; Filed, Sept. 4, 1964; 8:48 a.m.]

PART 57—GRANTS FOR CONSTRUCTION OF RESEARCH FACILITIES (INCLUDING MENTAL RETARDATION FACILITIES), TEACHING FACILITIES, AND STUDENT LOANS

Subpart A—Grants for Construction of Health Research Facilities (Including Mental Retardation Facilities)

Notice of proposed rule making and public rule making procedures have been omitted in the issuance of the following revision of Subpart A of Part 57 which relates solely to grants. The revision includes amendments which provide expressly for grants for the construction of mental retardation research facilities as well as amendments which relate to grants for the construction of research facilities generally.

Both such grants provide Federal financial assistance subject to the requirements of Title VI of the Civil Rights Act of 1964, approved July 2, 1964 (78 Stat. 252; P.L. 88-352). Section 601 of that Act provides that no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Therefore grants made pursuant to the amended regulations set forth below are subject to this provision and to such applicable rules, regulations, or orders as may hereafter be issued with the approval of the President to effectuate the provisions of section 601.

The amendments below shall become effective on the date of publication in the FEDERAL REGISTER.

Subpart A is revised to read as follows:

Sec.
57.1 Definitions.
57.2 Eligible institutions.
57.3 Application for construction grants.
57.4 Required assurances.
57.5 Approval of grants.
57.6 Amount of grant; limitation.
57.7 Necessary costs of construction.
57.8 Conditions to grant.
57.9 Payments.
57.10 Good cause for other use of completed facility.

AUTHORITY: The provisions of this Subpart A issued under sec. 709, 70 Stat. 720; 42 U.S.C. 292h, § 762, 77 Stat. 283, 42 U.S.C. 295a. Interpret or apply secs. 701-708, 70 Stat. 717-720, 42 U.S.C. 292-292g; secs. 761-766, 77 Stat. 282-284, 42 U.S.C. 295-295e.

§ 57.1 Definitions.

Except where the context indicates otherwise, when used in this part—

(a) All terms which are defined in sections 2, 702, and 766 of the Public Health Service Act, as amended, shall have the same meaning as given them in such sections: *Provided,* That the term "Council" means the National Advisory Council on Health Research Facilities established by section 703, except that with respect to applications for Part D grants, "Council" means such Council or the council or councils concerned with the field or fields of research involved.

(b) "Act" means the Public Health Service Act, as amended.

(c) "Construction grant" means a grant for the construction of facilities authorized under Part A or Part D of Title VII of the Act.

(d) "Part A grant" means a grant for the construction of facilities authorized under Part A of Title VII of the Act.

(e) "Part D grant" means a grant for the construction of facilities authorized under Part D of Title VII of the Act.

(f) "Equipment" means those items that are considered depreciable and as having an estimated life of not less than five years. Not included are such items as glassware, chemicals, storage batteries, and books.

(g) "Research" means (1) research or (2) research and activities having related purposes (including research training and the use for medical libraries to the extent that they support research and research training) in the sciences related to health or (3) in the case of an application for a Part D grant, research, or research and related purposes, relating to human development, which may assist in finding the causes, and means of prevention, of mental retardation, or in finding means of ameliorating the effects of mental retardation.

§ 57.2 Eligible institutions.

A public or nonprofit institution shall be eligible to apply for a construction grant upon a determination by the Surgeon General:

(a) That such institution is a State, county, municipal, or other non-Federal governmental agency or is a nonprofit corporation, association or other nonprofit legal person.

(b) That such institution is authorized to conduct the research and engage in the activities related to health research, or in the case of an application for a Part D grant, that it is authorized to conduct the research and engage in the activities related to mental retardation, described in the application and related documents.

(c) Upon a further determination, and in the case of an application for a grant for construction of a health research facility under Part A of Title VII of the Act, after consultation with the Council, that the institution is competent to engage in the type of research for which the facility is to be constructed, taking into consideration among other pertinent factors:

(1) The scientific or professional standing or reputation of the institution and of its existing or proposed officers and research staff;

(2) The availability, by affiliation or other association, of other scientific or health personnel and facilities to the extent necessary to provide effective opportunities for the type of research proposed.

§ 57.3 Application for construction grants.

No construction grant shall be made unless an application is filed therefor in the form and manner prescribed by the Surgeon General and is executed by an official or officials legally authorized by the applying agencies, corporations, or associations to make on their behalf such application and to provide the required assurances. In addition to any other pertinent information which the Surgeon General may require, each applicant shall:

(a) Furnish in sufficient detail plans and specifications of the facility to be constructed so as to indicate the nature and purpose of all portions of the facility and the type and quality of any features bearing on the major costs of construction;

(b) Set forth in detail the estimated total costs of construction of the facility and the basis on which such estimate was made;

(c) Furnish information on the extent and manner in which the proposed construction will expand the applicant's capacity for research or is necessary to improve or maintain the quality of such research by the applicant.

§ 57.4 Required assurances.

No construction grant shall be made unless the application therefor contains or is supported by assurances, found by the Surgeon General to be reasonable:

(a) That for not less than 10 years after completion of construction, or in the case of a Part D grant, that for not less than 20 years after completion of construction, the facility will be used for the research for which it is to be constructed. Such an assurance shall be supported by evidence indicating the applicant's ownership of, or right otherwise to occupy, the site and to control the use of the facility for such period.

(b) That sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility. Such assurance shall be supported by evidence of the amount of funds in escrow or firmly pledged or of funds or fund sources specifically earmarked for such purpose, or other such evidence indicating that funds for the non-Federal share are available: *Provided,* That if the applicant for a Part A grant is unable to give the assurances as required by this paragraph, the grant may be made notwithstanding on such terms and conditions as prescribed by the Surgeon General after consultation with the Council and on the specific condition that such assurances, together with sup-

porting evidence, will be furnished by the applicant within six months after such conditional grant or within such other period as determined by the Surgeon General after such consultation; and

(c) That sufficient funds will be available when construction is completed for effective use of the facility for the research for which it is being constructed. Such an assurance shall be supported as to new facilities by a proposed operating budget indicating the amount and source of operating funds for a 2-year period immediately following completion of construction or, as to existing facilities, by a statement of the amount and source of funds that are or will be available for such 2-year period to meet any difference between proposed expenditures and anticipated income.

§ 57.5 Approval of grants.

The Council shall recommend, and the Surgeon General shall approve, construction grants only for those proposed facilities which in their judgment will be the more effective in expanding capacity for research, in improving the quality of such research, and in promoting an equitable geographical distribution of such research. In so recommending or approving, particular consideration shall be given to facilities that: (a) Will be used for research in disciplines or diseases or aspects of a disease which have the most urgent needs; (b) are adaptable to various methods by which research is organized or advanced; (c) will be in institutions or localities with broad research programs and potentials; (d) will promote a better geographic distribution of research through assistance to established or promising new facilities in various areas of the Nation having at present relatively few such research facilities.

§ 57.6 Amount of grant; limitation.

Subject to the maximum amounts prescribed in the Act, the amount of any grant shall be that recommended by the Council or such lesser amount as the Surgeon General deems to be appropriate: *Provided,* That the amount of a grant for construction of a mental retardation center shall be determined by the Surgeon General. Such an amount shall be reserved from any available appropriation, but the amount so reserved may be amended from time to time either upon a revision by the Surgeon General of his estimate of the necessary cost of construction or upon the Surgeon General's approval of an amendment to the application.

§ 57.7 Necessary costs of construction.

In determining the necessary costs of construction of any facility, the Surgeon General, in addition to other relevant considerations, shall exclude:

(a) The value of any donation or gift of services, materials, or equipment;

(b) The cost of any services, materials, or equipment not reasonably required by the plans and specifications furnished under § 57.3, or approved amendments thereto, and any costs occasioned by special architectural or designed features, or the use of special materials not necessary for the conduct of the proposed research program;

(c) The cost of any portion of the facility that is not completed to a sufficient extent that it can be used for the proposed research program, and any architectural or other services specifically related thereto;

(d) The cost of any space or equipment to the extent it is related to purposes other than research;

(e) Costs for legal services, for damages whether or not arising out of construction, and for any bonus or any other extra payments not related to furnishing additional services, materials, or equipment;

(f) Any costs incurred with respect to services performed or materials or equipment delivered, at any time, pursuant to a contract or agreement entered into prior to July 31, 1956, or, in the case of an application for a Part D grant, prior to October 31, 1963.

(g) Any other costs with respect to services performed (except architectural services) or materials or equipment delivered, at any time, pursuant to a contract or agreement entered into by the applicant prior to the filing of the application.

§ 57.8 Conditions to grant.

In addition to any other conditions imposed by law or determined by the Surgeon General to be reasonably necessary to fulfill the purpose of the grant, each construction grant shall be subject to the following terms, conditions, and assurances to be furnished by the grantee. The Surgeon General may at any time approve exceptions to these terms, conditions, and assurances where he finds that such exceptions are not inconsistent with the Act and the purposes of the program.

(a) All construction shall be permanent construction, designed to effectively carry out the proposed research program and shall be fire safe and structurally safe. Compliance with the minimum standards specified in § 57.109 may be deemed to be compliance with the requirement stated herein.

(b) Use grant funds solely for the purposes of the construction for which the grant was made.

(c) Use no part of the grant funds for any cost with respect to services performed or material or equipment delivered, at any time, pursuant to a contract or agreement entered into by the applicant prior to the effective date of the construction grant.

(d) (1) That any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276 et seq.), and will receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any work week in excess of eight hours in any calendar day or 40 hours in the work week (Contract Work Hours Standard Act, 40 U.S.C. 327–332); and

(2) That the following conditions and provisions will be included in all construction contracts:

(i) The provision set forth in "Labor Standards for United States Public Health Service Construction Grant Programs" (PHS No. 930–A–5) pertaining to the Copeland Act (Anti-Kickback) Regulations and Labor Standards (prevailing rates of pay and overtime requirements) except in the case of contracts in the amount of $2,000 or less;

(ii) The contractor shall furnish performance and payment bonds in the full amount of the contract price, and shall maintain, during the life of the contract, adequate fire, workmen's compensation, public liability, and property damage insurance;

(iii) Representatives of the Public Health Service and such other persons as the Surgeon General may designate will have access at all reasonable times to work wherever it is in preparation or progress, and the contractor shall provide proper facilities for such access and inspection.

(e) Maintain such fiscal or other records and furnish such progress or other reports relating to the construction as may be directed by the Surgeon General, and permit audit of records and inspection of the site and of the construction in progress at any reasonable time by representatives of the Surgeon General;

(f) Repay to the United States the amount of any grant funds found by the Surgeon General to have been used contrary to law, to these regulations or to the conditions to the grant, and any amount paid in excess of the maximum prescribed in these regulations.

(g) The grantee shall comply with the requirements of, and give the assurances required in, Executive Order 11114, June 22, 1963 (28 F.R. 6485), and the applicable rules, regulations, and procedures prescribed pursuant thereto by the President's Committee on Equal Employment Opportunity (28 F.R. 9812).

(h) Perform actual construction work by the lump sum (fixed price) contract method; employ adequate methods of obtaining competitive bidding prior to awarding the construction contract, either by public advertising or circularizing three or more bidders; and award the contract to the responsible bidder submitting the lowest acceptable bid.

(i) Enter into no construction contract or contracts for the project or a part thereof, the cost of which is in excess of the estimated cost approved in the application for that portion of the work covered by the plans and specifications, without the prior approval of the Surgeon General;

(j) Finance all costs in excess of the estimated costs approved in the application and submit to the Surgeon General for prior approval changes that substantially alter the scope of work, function, utilities, or safety of the facility.

§ 57.9 Payments.

(a) Except as provided in paragraph (b) of this section, payments shall be made at the request of the applicant, shall be based on the cost of the work performed, materials, and equipment

furnished, and services performed, as follows:

(1) The first installment when not less than 25 percent of the construction of the project has been completed;

(2) A second installment when not less than 50 percent of the construction of the project has been completed;

(3) A third installment when not less than 75 percent of the construction of the project has been completed;

(4) A fourth installment when the project is 95 percent completed; and

(5) The final payment when the project is completed and final inspection by a representative of the Public Health Service is made and the amount certified as due and payable as determined by the audit.

(b) Upon a written request and a showing of necessity by the applicant, the Surgeon General may adopt a different schedule of payments.

§ 57.10 Good cause for other use of completed facility.

If within 10 years after completion of any construction for which a grant has been made, or in the case of a Part D grant, 20 years, the facility shall cease to be used for the research purposes for which it was constructed, the Surgeon General in determining whether there is good cause for releasing the applicant or other public or nonprofit owner from the obligation so to use the facility, shall take into consideration, among other similar factors, the extent to which:

(a) The facility will be devoted by the applicant or other public or nonprofit owner to other research in the sciences related to health or to other health purposes, taking into consideration, in the case of a mental retardation research facility, the extent to which the facility will be devoted to research related to mental retardation;

(b) The circumstances calling for a change in the use of the facility were not known, or with reasonable diligence could not have been known to the applicant, at the time of the application, and are circumstances reasonably beyond the control of the applicant or other owner; and

(c) There are reasonable assurances that for the remainder of the period other facilities not previously utilized for such research will be so utilized and are substantially the equivalent in nature and extent for such purposes.

Dated: June 30, 1964.

[SEAL] LUTHER L. TERRY,
Surgeon General.

Approved: September 1, 1964.

ANTHONY J. CELEBREZZE,
Secretary.

[F.R. Doc. 64-9059; Filed, Sept. 4, 1964; 8:48 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 33—SPORT FISHING

Tennessee, Reelfoot National Wildlife Refuge; Correction

In Federal Register Doc. 64-1666, appearing at page 2604 of the issue for February 20, 1964, subparagraphs (b) and (e) (3) should read as follows:

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

* * * * *

TENNESSEE

REELFOOT NATIONAL WILDLIFE REFUGE

* * * * *

(b) Open season: February 16, 1964, through October 23, 1964, except the lower refuge located south of Upper Blue Basin remains open through November 17, 1964.

* * * * *

(e) * * *

(3) The provisions of the special regulation are effective to November 18, 1964.

* * * * *

WALTER A. GRESH,
Regional Director, Bureau of Sport Fisheries and Wildlife.

AUGUST 28, 1964.

[F.R. Doc. 64-9035; Filed, Sept. 4, 1964; 8:47 a.m.]

Proposed Rule Making

FEDERAL AVIATION AGENCY

[14 CFR Part 71 [New]]

[Airspace Docket No. 63–CE–88]

TRANSITION AREA

Proposed Designation

The Federal Aviation Agency is considering amendments to Part 71 [New] of the Federal Aviation Regulations which would establish controlled airspace in the Grand Rapids, Minn., terminal area.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may so desire. Communications should identify the airspace docket number and be submited in triplicate to the Director, Central Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within 30 days after publication of the notice in the FEDERAL REGISTER will be considered by the Administrator before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the rules dockets for examination by interested persons. An informal docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace structure requirements in the Grand Rapids terminal area, including studies attendant to the implementation of the provisions of CAR Amendments 60–21/60–29, proposes the following airspace action:

Designate the Grand Rapids, Minn., transition area as that airspace extending upward from 700 feet above the surface within a 5-mile radius of the Grand Rapids Municipal Airport (latitude 47°-12'45'' N., longitude 93°30'35'' W.), and within 5 miles West and 8 miles East of the Grand Rapids VOR 168° True radial extending from the VOR to 12 miles South of the VOR; and that airspace extending upward from 1,200 feet above the surface within 4 nmi each side of a direct radial between the Grand Rapids VOR and the Hibbing, Minn., VOR excluding that airspace within the Hibbing transition area.

The airspace extending upward from 700 feet above the surface within the 5-mile radius of the Grand Rapids Airport would provide controlled airspace for instrument approach procedures and to protect departing aircraft climbing to 1,200 feet above the surface on instrument departures. The area within 5 miles west and 8 miles east of the 168° True radial extending from the VOR to 12 miles south of the VOR would permit aircraft to make a straight-in approach out of the holding pattern at minimums lower than would be permitted on a circling approach. The 1,200-foot transition area is proposed to provide controlled airspace for flights between Grand Rapids and Hibbing.

This amendment is proposed under the authority of sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on September 4, 1964.

D. E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 64–9129; Filed, Sept. 4, 1964; 11:08 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Bureau of Customs

ATLANTIC CEMENT CO., INC.

Cancellation of Qualification as Citizen of United States

[T.D. 56250]

SEPTEMBER 1, 1964.

Notice of cancellation of qualification of Atlantic Cement Company, Inc., as a citizen of the United States under the provisions of the Act of September 2, 1958 (46 U.S.C. 883–1).

T.D. 55800 dated January 3, 1963, gave notice of the issuance on January 3, 1963, of a Certificate of Compliance on customs Form 1262 to the Atlantic Cement Company, Inc., as such company had qualified as a citizen of the United States under section 3.19(a)(4), Customs Regulations, and the provisions of section 27A of the Merchant Marine Act of 1920, as amended by the Act of September 2, 1958 (46 U.S.C. 883–1).

Under date of April 21, 1964, the Bureau was advised that a change in corporate status of the Atlantic Cement Company, Inc., had occurred and that the corporation now qualifies as a citizen of the United States under the provisions of section 802, title 46, United States Code. Therefore, the Certificate of Compliance of the Atlantic Cement Company, Inc., has been cancelled.

[SEAL] LESTER D. JOHNSON,
Acting Commissioner of Customs.

[F.R. Doc. 64–9051; Filed, Sept. 4, 1964; 8:48 a.m.]

DEPARTMENT OF DEFENSE

Department of the Army

OFFICE OF CIVIL DEFENSE

Further Redelegation of Authorities

Reference: (a) Delegations of Authority published at 29 F.R. 11852–11853, August 19, 1964.

Pursuant to Section 6 of reference (a) the officials in the Office of Civil Defense named below are hereby redelegated power and authority, including the taking of final action, redelegated to the Assistant Director of Civil Defense (Management) by reference (a), to the extent indicated herein and as required in the administration and operation of the Office of Civil Defense and its subordinate activities subject to the direction, authority, and control of the Secretary of the Army and the Director of Civil Defense, and subject to law, prior redelegations of authority, DOD and OCD policies, directives, regulations, instructions, manuals, and other administrative issuances.

1. The Deputy Directors, the Executive Assistant, the Assistant Directors, the Comptroller, the General Counsel, the Regional Directors, and the Directors of OCD Schools, or their designees, or, in the absence of any or all of them, the persons acting for them, respectively, may authorize and approve:

(a) Travel and per diem allowances for civilian officers and employees in connection with civil defense activities in accordance with the Standardized Government Travel Regulations, as amended (BOB Circular A–7, Revised); and

(b) Overtime for civilian employees within the limitations prescribed by law. This authority is also delegated to the Directors of OCD Warning Centers.

2. The Director, Personnel Office, or, in his absence, the person acting for him, is authorized to:

(a) Exercise power and authority pertaining to the employment and general administration of civilian personnel of the Office of Civil Defense and its subordinate activities;

(b) Fix rates of pay for wage board employees;

(c) Employ experts or consultants as may be necessary for the performance of civil defense functions;

(d) Administer oaths connected with employment and designate, in writing, officers and employees of OCD to perform this function;

(e) Administer the Incentive Awards Program for the Office of Civil Defense; and

(f) Plan, direct, and administer programs of employee development and employee training.

3. The Director, Security Office, or, in his absence, the person acting for him, is authorized to administer the civilian applicant and employee security program and the program for safeguarding of classified information.

4. The Staff Secretary, or, in his absence, the person acting for him, is authorized to:

(a) Authorize and approve:

(1) Travel for civilian officers and employees in connection with civil defense activities in accordance with the Standardized Government Travel Regulations, as amended (BoB Circular A–7, Revised); and

(2) Temporary duty travel only for military personnel assigned or detailed to the Office of Civil Defense or its subordinate activities in accordance with Joint Travel Regulations for the Uniformed Services, as amended;

(3) Invitational travel to persons serving without compensation whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to or in connection with civil defense activities;

(b) Develop and maintain an active and continuing records management program for the Office of Civil Defense and its subordinate activities;

(c) Establish and maintain an appropriate publications system for promulgation of regulations, directives, instructions, and other reference documents; and

(d) Procure printing or reproduction services as necessary in connection with civil defense activities. This authority may be further redelegated.

5. The Director, Procurement Services Division, Materiel Office, or, in his absence, the person acting for him, and, with respect to subparagraphs 5. (c), (d), and (e), the Deputy Director, Procurement Services Division, Materiel Office, is authorized to:

(a) Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals, as required for the effective administration and operation of the Office of Civil Defense and its subordinate activities;

(b) For civil defense property, equipment, and supplies for which the Director of Civil Defense is assigned responsibility:

(1) Establish and maintain appropriate property accounts;

(2) Appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for civil defense property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations;

(c) Enter into contracts for supplies, equipment, and services for civil defense purposes and make the necessary determinations and findings with respect thereto. This authority may be further redelegated. To the maximum practicable extent, procurement of supplies and equipment will be accomplished through established military procurement agencies;

(d) Enter into support and service agreements with the military departments, other DoD agencies, or other governmental agencies, as required for the effective performance of assigned civil defense responsibilities and functions; and

(e) Enter into agreements for the loan or grant of civil defense supplies and equipment to support approved programs.

6. Each Regional Director, or, in his absence, the person acting for him, to be exercised and performed with regard to his respective region is authorized to:

(a) Procure supplies and services other than personal for civil defense purposes not in excess of $2,500 per order from governmental or nongovernmental sources. Established government sources shall be utilized to the maximum extent possible in the procurement of supplies and services;

(b) Issue U.S. Government Bills of Lading not to exceed $2,500 per order;

(c) Arrange for and acquire through General Services Administration, space and facilities for regional and field offices not to exceed $2,500 per order;

(d) Enter into and execute agreements for the loan of engineering stockpile

equipment or the loan of civil defense exhibits to State and local governments;

(e) Approve invitational travel to persons serving without compensation whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, assigned civil defense activities.

7. The Director of the Staff College and The Directors of the Eastern and the Western Training Centers, or, in the absence of any or all of them, the persons acting for them, are authorized to:

(a) Procure supplies or services not in excess of $200 per order.

(b) Issue orders to GSA, not to exceed $2,500 per job order, for minor facility services, maintenance and modifications identified as reimbursable under GSA regulations.

(c) Procure supplies and services available from GSA, Federal Supply Service, Government Depots as appropriate, or from Federal Supply service contracts, not in excess of $2,500 per order for expendable supplies and services and not in excess of $500 per order for nonexpendable supplies and equipment.

(d) Issue U.S. Government Bills of Lading not to exceed $2,500 per order.

(e) Approve invitational travel to persons serving without compensation whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with assigned civil defense activities.

8. Revocation. The redelegation of administrative authorities published at 27 F.R. 8746, August 31, 1962, is hereby revoked.

9. No further redelegation. Except as specifically provided herein the power and authority delegated hereunder may not be further redelegated.

10. Effective date. The powers and authorities delegated herein shall be effective upon publication in the FEDERAL REGISTER.

R. E. HOLT,
Assistant Director of Civil Defense, Management.

[F.R. Doc. 64-9034; Filed, Sept. 4, 1964; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

ILLINOIS, MINNESOTA, AND MISSOURI

Designation of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the States of Illinois, Minnesota, and Missouri natural disasters have caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

ILLINOIS

Hardin.	Saline.
Massac.	Williamson.
Pope.	

MINNESOTA

Benton.	
Big Stone.	Mower.
Dodge.	Olmsted.
Douglas.	Pope.
Fillmore.	Sherburne.
Freeborn.	Stearns.
Houston.	Swift.
Kandiyohi.	Winona.
Mille Lacs.	Wright.
Morrison.	

MISSOURI

Dunklin.	Scott.
Macon.	Shelby.
Mississippi.	Wayne.
New Madrid.	

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after December 31, 1965, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 1st day of September 1964.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 64-9036; Filed, Sept. 4, 1964; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

[Dept. Order 87 [Rev.]; Amdt. 2]

COAST AND GEODETIC SURVEY

Organization and Function

This material supersedes the material appearing at 29 F.R. 3114 of March 6, 1964 and Coast and Geodetic Survey amends the material appearing at 28 F.R. 3424-3426 of April 6, 1963 as follows:

The Organization and Function Supplement of March 26, 1963 to Department Order No. 87 (Revised) is hereby amended as follows:

1. Section 2-1 is amended to read:

SEC. 2. *Organization.* The Coast and Geodetic Survey shall consist of the following organization units:

1 Office of the Director: Director; Deputy Director; Program Planning Coordination Staff; International Technical Cooperation Staff; Operations Research and Systems Analysis Staff; Internal Audit Staff.

2. Section 2-6 is amended to read:

6 Office of Administration: Budget and Finance Division; Administrative and Technical Services Division; Personnel Division; Management and Organization Division; Engineering Division.

3. Section 3 is amended by adding the following new subsections:

SEC. 3. *Functions of the Office of the Director.* .05 The Operations Research and Systems Analysis Staff shall make studies and analyses to facilitate accomplishment of the Bureau's mission. It shall study all technical operations, evaluate the variables involved in the employment of Bureau resources, and determine the actual and potential demand for Bureau data. After analysis of its findings and consideration of all pertinent factors, it shall make recommendations for developing the Bureau's present competence and its accumulated scientific and technical data into a more effective and valuable organization.

.06 The Internal Audit Staff shall conduct a continuing program for the comprehensive internal audit of all Bureau activities and organizational units. It shall make objective appraisals of programs, policies, procedures, systems, organizational relationships, division of responsibility, work flow, financial transactions and supporting documents, use of manpower and material resources, property accountability, and other factors to ascertain compliance with legislation and Federal, Departmental and Bureau policies and regulations, and to assess the effectiveness of Bureau policies, management controls, and the efficiency of operations.

4. Section 8 is amended to read:

SEC. 8. *Functions of the Office of Administration.* The Office of Administration shall provide the Bureau with administrative and technical services for all its activities. More particularly, the Office shall plan, coordinate, and direct budget and fiscal activities; civil service personnel activities; management, organization, and productivity analyses and measurement activities; procurement and supply activities; instrumentation support and development; and library and map reference services. Through its divisions, the Office conducts research in accordance with the plans and assignments of the Bureau's overall research and development program.

Effective date: August 10, 1964.

HERBERT W. KLOTZ,
Assistant Secretary for Administration.

COAST AND GEODETIC SURVEY—FIELD ORGANIZATION

FIELD ORGANIZATION AND LOCATION

Regional Offices

San Francisco, San Francisco, Calif.
Seattle, Seattle, Wash.
Norfolk, Norfolk, Va.
Kansas City, Kansas City Mo.

Field Offices

Los Angeles, Los Angeles, Calif.
Honolulu, Honolulu, Hawaii
New Orleans, New Orleans, La.
Boston, Boston Mass.
New York, New York, N.Y.
Portland, Portland, Oreg.
Anchorage, Anchorage, Alaska

Observatories

Barrow Magnetic Observatory, Barrow, Alaska
College Magnetic and Seismological Observatory, College, Alaska
Sitka Magnetic and Seismological Observatory, Sitka, Alaska

Byrd Station Magnetic and Seismological Observatory, Byrd Station, Antarctica
South Pole Station Magnetic and Seismological Observatory, South Pole Station, Antarctica
Tucson Magnetic and Seismological Observatory, Tucson, Ariz.
Ukiah Latitude Observatory, Ukiah, Calif.
Guam Magnetic and Seismological Observatory, Guam, Mariana Islands
Honolulu Magnetic and Seismological Observatory, Ewa, Oahu, Hawaii
Gaithersburg Latitude Observatory, Gaithersburg, Md.
San Juan Magnetic and Seismological Observatory, Santurce, Puerto Rico
Fredericksburg Magnetic Observatory and Laboratory, Corbin, Va.
Seismological Laboratory, Albuquerque, N. Mex.
Boulder Magnetic Observatory, Boulder, Colo.
Dallas Magnetic Observatory, Richardson, Tex.
Eights Magnetic Observatory, Eights Station, Antarctica

[F.R. Doc. 64-9022; Filed, Sept. 4, 1964; 8:46 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-3]

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Notice of Issuance of Order Extending Expiration Date of Provisional Operating License

Please take notice that the Atomic Energy Commission has issued an order extending to September 26, 1965, the expiration date specified in Provisional Operating License No. DPR-5 issued to Consolidated Edison Company of New York, Inc., authorizing operation of the Indian Point nuclear reactor located in Westchester County, New York, at thermal power levels up to 585 megawatts.

Copies of the Commission's order and the application dated June 22, 1964, filed by Consolidated Edison Company of New York, Inc., are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C.

Dated at Bethesda, Md., this 31st day of August 1964.

For the Atomic Energy Commission.

E. G. CASE,
Acting Director,
Division of Reactor Licensing.

[F.R. Doc. 64-9043; Filed, Sept. 4, 1964; 8:47 a.m.]

[Docket No. 50-112]

UNIVERSITY OF OKLAHOMA

Notice of Issuance of Facility License Amendment

Please take notice that the Atomic Energy Commission has issued, effective as of the date of issuance, Amendment No. 4 to Facility License No. R-53. The license authorizes the University of Oklahoma (the licensee) to operate its Model AGN-211 nuclear reactor (the reactor) on the University's campus in Norman, Oklahoma.

The amendment, in accordance with the application dated May 27, 1963, authorizes the licensee to set the scram settings on the reactor at 175 percent of the maximum authorized power as indicated by the logarithmic micro-microammeter, with the condition that the period at which the scram is to occur shall not be less than five seconds. The amendment also authorizes the licensee to replace the BF_3 ion chambers used in the linear and logarithmic power monitoring channels with B^{10}-coated, argon-gas-filled ion chambers, in accordance with the procedures described in the application dated September 4, 1963.

The Commission has found that:

1. The applications for amendment comply with the requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations set forth in Title 10, Chapter I, CFR;

2. Prior public notice of proposed issuance of this amendment is not required since the amendment does not involve significant hazards considerations different from those previously evaluated;

3. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public.

Within fifteen days from the date of publication of this notice in the FEDERAL REGISTER, the licensee may file a request for a hearing, and any person whose interest may be affected by this proceeding may file a petition for leave to intervene. Any request for a hearing and petitions to intervene shall be filed in accordance with the provisions of the Commission's "Rules of Practice," 10 CFR Part 2. If a request for a hearing or a petition for leave to intervene is filed within the time prescribed in this notice, the Commission will issue a notice of hearing or an appropriate order.

For further details with respect to this amendment see (1) the applications for license amendment and (2) the hazards analysis prepared by the Research and Power Reactor Safety Branch of the Division of Reactor Licensing, all of which are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. A copy of item (2) above may be obtained at the Commission's Public Document Room, or upon request addressed to the Atomic Energy Commission, Washington, D.C., 20545, Attention: Director, Division of Reactor Licensing.

Dated at Bethesda, Md., this 31st day of August 1964.

For the Atomic Energy Commission.

ROGER S. BOYD,
Chief, Research and Power Reactor Safety Branch, Division of Reactor Licensing.

[License No. R-53; Amdt. 4]

Facility License No. R-53, which authorizes the University of Oklahoma to operate its nuclear reactor, Model AGN-211, Serial No. 102, located on its campus in Norman, Oklahoma, is hereby amended as follows:

1. In accordance with the application dated May 27, 1963, subpargraph 4.D. is amended to read:

"The scram settings on the reactor shall be set so that the power level at which the scram is to occur shall not exceed 130 percent of the maximum power level authorized by this license as indicated by the linear count-rate meter or the linear micro-microammeter or 175 percent of the maximum authorized power as indicated by the logarithmic micro-microammeter. The period at which the scram is to occur shall not be less than 5 seconds."

2. The University of Oklahoma is hereby authorized to use either BF_3 ion chambers or B^{10}-coated, argon-gas-filled ion chambers in the linear and logarithmic power monitoring channels, in accordance with the procedures described in the application dated September 4, 1963.

This amendment is effective as of the date of issuance.

Date of issuance: August 31, 1964.
For the Atomic Energy Commission.

ROGER S. BOYD,
Chief, Research and Power Reactor Safety Branch, Division of Reactor Licensing.

[F.R. Doc. 64-9044; Filed, Sept. 4, 1964; 8:47 a.m.]

FEDERAL AVIATION AGENCY

[OE Docket No. 64-EA-7]

PENNSYLVANIA STATE UNIVERSITY

Determination of No Hazard to Air Navigation

The Federal Aviation Agency has circularized the following proposal for aeronautical comment and has conducted a study (EA-OE-5343) to determine its effect upon the safe and efficient utilization of the navigable airspace.

The Pennsylvania State University, University Park, Pennsylvania, proposes to construct a television antenna structure at latitude 41°07'21" N., longitude 78°26'28" W., near Clearfield, Pennsylvania. The overall height of the structure would be 2,714 feet above mean sea level (539 feet above ground).

The structure would be located within the boundaries of VOR Federal airway No. 184. It would exceed the standards for determining hazards to air navigation as defined in § 77.23(a)(2) of the Federal Aviation Regulations, as applied to this airway, by 339 feet.

The aeronautical study disclosed that the structure would not require an increase in the minimum en route altitude on Victor 184 and would have no adverse effect upon instrument flight rules (IFR) aeronautical operations. Further, it would not be located in proximity to a commonly used visual flight rules (VFR) route or in an area where there is a significant volume of VFR traffic. The structure would be located approximately four miles from a major highway and two miles from a secondary road. Aircraft using these landmarks for VFR navigation would be a safe distance away from the site of the proposed structure.

Based upon the aeronautical study, it is the finding of the Agency that the proposed structure would have no substantial adverse effect upon aeronautical operations, procedures or minimum flight altitudes.

Therefore, pursuant to the authority delegated to me by the Administrator (§ 77.37 [New]), it is found that the proposed structure would have no substantial adverse effect upon the safe and efficient utilization of navigable airspace and it is hereby determined that the proposed structure would not be a hazard to air navigation provided that it is obstruction marked and lighted in accordance with Agency standards.

This determination is effective and will become final 30 days after the date of issuance unless an appeal is filed under § 77.39 [New] (27 F.R. 10352). If the appeal is denied, the determination will then become final as of the date of the denial or 30 days after the issuance of the determination, whichever is later. Unless otherwise revised or terminated, a final determination hereunder will expire 18 months after its effective date or upon earlier abandonment of the construction proposal (§ 77.41 [New]).

Issued in Washington, D.C., on September 1, 1964.

GEORGE R. BORSARI,
Chief, Obstruction Evaluation Branch.

[F.R. Doc. 64-9020; Filed, Sept. 4, 1964; 8:45 a.m.]

[OE Docket No. 64-SO-13]

SELMA TELEVISION INC.

Determination of No Hazard to Air Navigation

The Federal Aviation Agency has circularized the following proposal for aeronautical comment and has conducted an aeronautical study (SO-OE-3845 Amended) to determine its effect upon the safe and efficient utilization of the navigable airspace.

Selma Television Incorporated (WSLA-TV), Lookout Mountain, Tennessee, proposes to construct a television antenna structure at latitude 33°04'00" N., longitude 87°08'39" W., near West Blocton, Alabama. The overall height of the structure would be 2,449 feet above mean sea level (1,849 feet above ground).

The structure would be located approximately nine miles north of the Belcher Airport and 29 miles east-southeast of Van De Graaff Airport and 22 miles south-southwest of the Bessemer Airport.

It would exceed the standards for determining hazards to air navigation as defined in § 77.23(a)(1) of the Federal Aviation Regulations by 1,349 feet, since it would be more than 500 feet above ground at the site of construction.

The aeronautical study disclosed that the structure would be located approximately 23 nautical miles east-southeast of the Tuscaloosa, Alabama, VORTAC, and would require an increase from 1,700 feet to 2,400 feet in the Minimum Sector Altitude in the southeast quadrant within 25 nautical miles of the Tuscaloosa VORTAC, for standard instrument approach procedure AL-487-VOR-1 to the Van De Graaff Airport. This minor change could be made without having a substantial adverse effect upon instrument flight rules operations at the airport.

The study further disclosed that the proposed structure would have no substantial adverse effect upon VFR operations since it would be located in a rugged and sparsely settled area and not on any generally recognized or commonly used VFR route.

Based on the aeronautical study, it is the finding of the Agency that the proposed structure would have no substantial adverse effect upon aeronautical operations, procedures or minimum flight altitudes.

Therefore, pursuant to the authority delegated to me by the Administrator (§ 77.37 [New]), it is found that the proposed structure would have no substantial adverse effect upon the safe and efficient utilization of navigable airspace and it is hereby determined that the proposed structure would not be a hazard to air navigation provided that it is obstruction marked and lighted in accordance with Agency standards.

This determination is effective and will become final 30 days after the date of issuance unless an appeal is filed under § 77.39 [New] (27 F.R. 10352). If the appeal is denied, the determination will then become final as of the date of the denial or 30 days after the issuance of the determination, whichever is later. Unless otherwise revised or terminated, a final determination hereunder will expire 18 months after its effective date or upon earlier abandonment of the construction proposal (§ 77.41 [New]).

Issued in Washington, D.C., on August 27, 1964.

GEORGE R. BORSARI,
Chief,
Obstruction Evaluation Branch.

[F.R. Doc. 64-9021; Filed, Sept. 4, 1964; 8:45 a.m.]

[OE Docket No. 64-CE-7]

ROCK ISLAND BROADCASTING CO.

Determination of Hazard to Air Navigation

The Federal Aviation Agency has circularized the following proposal for aeronautical comment and has conducted a study (CE-OE-3598) to determine its effect upon the safe and efficient utilization of navigable airspace.

Rock Island Broadcasting Company, Rock Island, Illinois, proposes to construct a television antenna structure near Davenport, Iowa, at latitude 41°32'13" N., longitude 90°28'31" W. The overall height of the structure would be 2,049 feet above mean sea level (1,389 feet above ground).

The structure would be located approximately 5.3 miles north of Quad City Seaplane Base and 6.4 miles north-northeast of Quad City Airport, Moline, Illinois. It would exceed the outer horizontal surfaces, as defined in § 77.25(c)(1) of the Federal Aviation Regulations, as applied to these airports by 1,029 feet and 989 feet, respectively. Further, it would be located within the boundaries of VOR Federal airway No. 255 and would exceed § 77.23(a)(2) of the Federal Aviation Regulations by 1,189 feet.

The aeronautical study disclosed that the proposed structure would require the following increases:

1. From 2,600 feet to 3,000 feet in the minimum en route altitude on the segment of VOR Federal airway No. 255 between Moline VORTAC and Cordova VOR.
2. From 2,600 feet to 3,000 feet in the minimum transition altitude between Cordova VOR and the instrument landing system outer marker compass locater for the Quad City Airport.
3. From 2,600 feet to 3,000 feet in the minimum departure altitude between Quad City Airport and Cordova VOR.
4. From 2,600 feet to 3,000 feet in the minimum safe radar vector altitude within the north quadrant of the Quad City Airport radar area.
5. From 2,300 feet to 2,500 feet in the procedure turn altitude for the AL-269-ILS-RWY 27(BC) standard instrument approach procedure.

The study revealed that limitations to IFR procedures as a result of the above changes would be undesirable from an operations standpoint.

The proposed tower would be the dominating structure in the Quad City area and would be located on a bend of the Mississippi River, approximately one mile inland from the west bank. The river is used as a reference for aircraft flying in accordance with visual flight rules between Clinton, Iowa, Airport and Quad City Airport. The study revealed that a significant number of aircraft use this route and that it is most frequently used during conditions of restricted visibility. Further, the structure would be located in the cross current of low altitude aircraft flying among the four airports and one seaplane base located within a seven-mile radius of the site. At the proposed height and location the structure would have a substantial adverse effective upon these aeronautical operations.

Based upon the aeronautical study, it is the finding of the Agency that the proposed structure would create an unsafe obstruction to low altitude VFR operations in the Davenport area.

Therefore, pursuant to the authority delegated to me by the Administrator (§ 77.37 [New]), it is found that the proposed structure would have a substantial adverse effect upon the safe and efficient utilization of navigable airspace; and it is hereby determined that the proposed structure would be a hazard to air navigation.

This determination is effective and will become final 30 days after the date of issuance unless an appeal is filed under § 77.39 [New] (27 F.R. 10352). If the appeal is denied, the determination will then become final as of the date of the denial or 30 days after the issuance of the determination, whichever is later.

Issued in Washington, D.C., on August 31, 1964.

GEORGE R. BORSARI,
Chief,
Obstruction Evaluation Branch.

[F.R. Doc. 64-9057; Filed, Sept. 4, 1964; 8:48 a.m.]

FEDERAL POWER COMMISSION

[Docket No. CP64-311]

BALTIC OPERATING CO. AND CITIES SERVICE GAS CO.

Notice of Application

AUGUST 28, 1964.

Take notice that on June 26, 1964, Baltic Operating Company (Baltic), 700 Scarritt Building, Kansas City, Missouri, and Cities Service Gas Company (Cities Service), P.O. Box 1995, Oklahoma City, Oklahoma, 73101, filed in Docket No. CP64-311 a joint application pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing Cities Service to acquire and operate certain facilities now owned and operated by Baltic, to construct, operate and reclaim certain metering and regulating facilities and to continue the service presently rendered by Baltic by means of the facilities proposed to be acquired, and, further, authorizing Baltic to abandon the facilities to be acquired and the service rendered by means thereof, all as more fully set forth in the joint application on file with the Commission and open to public inspection.

Specifically, Cities Service proposes to acquire and operate 20,445 feet of Baltic's 3-inch pipeline located in Alfalfa County, Oklahoma, and Barber County, Kansas, extending from the present purchase connection with Cities Service's Pampa 20-inch line to the present point of sale and connection with the United Gas Service Company's 3-inch line, south of Kiowa, Kansas, and 4,082 feet of 6-inch pipeline and 1,420 feet of 2-inch pipeline located in Ottawa County, Oklahoma, and Cherokee County, Kansas, extending from the present point of interconnection with Cities Service's Picher 6-inch line to the present point of interconnection with the 6-inch line of Baxter Springs Gas Company, east of Treece, Kansas.

Baltic presently utilizes the above-described lines to render service to the two distributing companies, United Gas Service Company and Baxter Springs Gas Company. Cities Service proposes to continue service to said companies.

Additionally, Cities Service proposes to construct and operate new town border metering and regulating stations for Kiowa and Treece, and to reclaim the existing stations.

Cities Service will pay Baltic $621.26 for the subject facilities. Said payment is the original cost less accumulated depreciation. The cost of the town border stations for Kiowa and Treece is $6,540 and $2,590, respectively.

Applicants state that the proposed project will result in lower rates to the two distribution companies presently served by Baltic since said companies would be purchasing directly from Cities Service at Cities Service's rates.

The application indicates that upon completion of the proposed acquisition Baltic will be liquidated.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that preliminary staff analysis has indicated that there are no problems which would warrant a recommendation that the Commission designate this application for formal hearing before an examiner and that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing may be held without further notice before the Commission on this application provided no protests or petition to intervene is filed within the time required herein. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before September 21, 1964.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 64-9027; Filed, Sept. 4, 1964; 8:46 a.m.]

[Docket Nos. RP65-2, RP65-5]

MICHIGAN WISCONSIN PIPE LINE CO.

Order Suspending Proposed Revised Tariff Sheets, Instituting Investigation of Tariff Provisions, Consolidating Proceedings, and Providing for Hearing

AUGUST 31, 1964.

On July 6, 1964, Michigan Wisconsin Pipe Line Company (Michigan Wisconsin), tendered for filing certain revised tariff sheets,[1] to become effective as of September 1, 1964. Michigan Wisconsin states that the purpose of the filing is to delete § 7.4 from its Rate Schedule ACQ-1. Section 7.4 provides that, under certain conditions, customers of Michigan Wisconsin purchasing gas under Rate Schedule ACQ-1 may, if they so desire, release a portion of their annual contract quantity for purchase by other customers who desire volumes of gas in excess of their annual contract quantity. Michigan Wisconsin in support of its filing states that § 7.4 is a unique provision which was justified only as a temporary measure to facilitate the transition by its customers from a straight rate to a two-part rate. Michigan Wisconsin also claims that the proposed filing will not affect its rate level. The schedule attached to the filing indicates, however, that while the proposal may have no net effect on Michigan Wisconsin's revenue, the proposed elimination of § 7.4 will result in a rate increase to a number of customers.

Comments on this and petitions to intervene[2] have been filed by some of Michigan Wisconsin's customers.[3] Each contends that it may be adversely affected by these proceedings. Michigan Consolidated Gas Company and Wisconsin Fuel and Light Company support the proposed change. Michigan Gas Utilities Company, Madison Gas and Electric Company, Iowa Light and Power Company, Michigan Gas and Electric Company, and Iowa Southern Utilities Company oppose the deletion, stating that such an action may increase their annual average purchase gas cost. Michigan Gas and Electric Company, in addition recommends that the filing be rejected because Michigan Wisconsin alleges no changed facts or circumstances occurring since the Commission issued Opinion No. 387 which would now justify a piece-meal change in the Commission approved rates. Iowa Electric Light and Power Company contends that "there has been no change in the situation since the rates prescribed in Docket No. G-17512 became effective which would warrant changing the relative positions of the customers and accordingly § 7.4 would be continued."

Preliminary review of the possible impact of the deletion of § 7.4, the controversies and misunderstandings between Michingan Wisconsin and some of its customers, as alluded to in its filing, and recent proceedings involving sales for resale for industrial purposes, indicate a need for general investigation of Michigan Wisconsin's tariff, including the general terms and conditions. Among others, the following factors and the tariff provisions relating thereto appear to warrant investigation: (1) The release of gas by customers under § 7.4 and subsequent purchase of gas under the overrun provisions of Rate Schedule OS-1; (2) the impact on customers of the proposed deletion of § 7.4; (3) the use by customers of their total ACQ before expiration of the contract year and subsequent purchases under Rate Schedule OS-1; (4) the present method and terms for establishing of a customer's MDQ and ACQ, including the need for such limitations of service; (5) the penalty provisions for excessive takes of volumes of gas; (6) the possible need for tariff provisions relating to sales for resale for industrial use, both firm and interruptible, to assure sufficient storage gas to meet customers' firm requirements during the winter months; (7) the advisability of providing storage or peaking service under separate rate schedules; and (8) such other modification of the

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[1] First Revised Sheet Nos. 8 and 32, Fourth Revised Sheet No. 9 and Fifth Revised Sheet No. 28 to Michigan Wisconsin's FPC Gas Tariff, Second Revised Volume No. 1.

[2] The petitions to intervene will be the subject of a separate order.

[3] Michigan Consolidated Gas Company, Wisconsin Public Service Corporation, Wisconsin Fuel and Light Company, North Central Public Service Company, Iowa Electric Light and Power Company, Milwaukee Gas Light Company, Michigan Gas Utilities Company, Madison Gas and Electric Company, Michigan Gas and Electric Company, and Iowa Southern Utilities Company.

tariff provisions as may be necessary and appropriate to complement and effectuate any of the foregoing.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the rates, charges, classifications and services contained in Michigan Wisconsin's FPC Gas Tariff, Second Revised Volume No. 1 and into the rules, regulations, practices, service agreements, or contracts relating thereto, as proposed to be amended by First Revised Sheet Nos. 8 and 32, Fourth Revised Sheet No. 9 and Fifth Revised Sheet No. 28, and that those sheets should be suspended and the use thereof deferred as hereinafter provided.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4, 5, 15, and 16 thereunder, the Commission's rules of practice and procedure and the regulations under the Natural Gas Act (18 CFR Ch. 1), a public hearing be held on a date fixed by notice from the Presiding Examiner Francis L. Hall concerning the lawfulness of the rates charges, classifications, and service contained in Michigan Wisconsin's FPC Gas Tariff, Second Revised Volume No. 1 and the rules, regulations, service agreements, or contracts relating thereto, as proposed to be amended by First Revised Sheet Nos. 8 and 32, Fourth Revised Sheet No. 9 and Fifth Revised Sheet No. 28, tendered for filing on July 6, 1964.

(B) Pending such hearing and decision thereon, Michigan Wisconsin's proposed revised tariff sheets identified in Paragraph (A) above, hereby are suspended and their use deferred until February 1, 1965, and thereafter until such further time as they are made effective in the manner provided by the Natural Gas Act.

(C) Michigan Wisconsin shall file its complete case-in-chief on all issues, including those referred to above, on or before October 9, 1964, and concurrently shall serve copies thereof upon the Staff, and all other parties of record.

(D) The Staff of the Commission shall file such evidence as it proposes to adduce in this proceeding and shall serve such evidence upon Michigan Wisconsin and other parties on or before November 6, 1964.

(E) All other parties desiring to present evidence herein shall file their testimony and exhibits and shall serve copies thereof upon the Staff and all other parties on or before November 16, 1964.

(F) The Presiding Examiner shall set the time for filing of rebuttal evidence by Michigan Wisconsin and, if he determines it to be necessary and appropriate and without unduly delaying the proceedings, may provide for filing of cross-rebuttal between the parties (including Staff) on a date prior to the date set for filing of Michigan Wisconsin's rebuttal.

(G) If the Commission, after a hearing has been had, shall find with respect to Michigan Wisconsin that its tariff or any of its rules, regulations, practices, classifications, service agreements or contracts, subject to the jurisdiction of the Commission are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders, just and reasonable tariff provisions, rules, regulations, practices, classifications, service agreements or contracts to be thereafter observed and in force.

(H) The proceedings in the above Docket Nos. RP65-2 and RP65-5 are hereby consolidated for purpose of hearing and decision.

(I) Pursuant to § 1.18 of the Commission's rules of practice and procedure, a prehearing conference before the Presiding Examiner shall commence at 10:00 a.m., e.d.t., on November 30, 1964, in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C. for the purpose of defining the issues, reaching an agreement and stipulation thereon and any other facts relevant to this matter, and, if necessary, to prescribe procedures for hearing herein giving effect to the Commission's intent that this matter be expedited. The Presiding Examiner may in his discretion, provide for any other conferences or procedures he deems appropriate in carrying out the policy and intent of § 2.59 of the Commission's rules of practice and procedure.

(J) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure.

(K) Notices of Intervention or Petitions to Intervene in these consolidated proceedings may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordanec with the rules of practice and procedure on or before October 1, 1964. Petitioners listed above need not submit further petitions to intervene.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 64-9028; Filed, Sept. 4, 1964; 8:46 a.m.]

[Docket No. CP65-16]

NATURAL GAS PIPELINE COMPANY OF AMERICA

Notice of Application

AUGUST 28, 1964.

Take notice that on July 14, 1964, Natural Gas Pipeline Company of America (Applicant), 122 South Michigan Avenue, Chicago, Illinois, 60603, filed in Docket No. CP65-16, an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of approximately 350 feet of 8-inch lateral, a side tap and metering facilities on Applicant's Amarillo line at the outlet of Applicant's Beatrice Compressor Station, Grant County, Nebraska, and the transportation of natural gas in interstate commerce to the proposed ammonia plant of Phillips Petroleum Company (Phillips) for fuel and processing purposes in said plant, all as more fully set forth in the application on file with the Commission and open to public inspection.

Applicant proposes to sell and deliver to Phillips for use in its plant for fuel and processing of ammonia the following estimated volumes of natural gas (Mcf 14.65 psia):

	Annual volumes			
	1964	1965	1966	1967
Construction Gas	6,200	37,800		
Firm gas		59,700	109,500	109,500
Off peak gas		4,248,000	5,368,000	5,457,000
Total sales	6,200	4,345,500	5,477,500	5,566,500
	Peak day volumes			
	1964-65	1965-66	1966-67	1967-68
Construction or firm gas	300	300	300	300

The contract between Applicant and Phillips provides for an interim sale of natural gas up to 300 Mcf daily during the construction and testing period, schedule to end June 15, 1965. Upon commencement of regular operations Phillips will purchase 300 Mcf of firm gas daily and up to 26,000 Mcf of off-peak gas daily during the off-peak season from April 1 to November 30 each year.

The cost of the proposed facilities is estimated to be $18,600.00, which will be defrayed from funds on hand.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that preliminary staff analysis has indicated that there are no problems which would warrant a recommendation that the Commission designate this application for formal hearing before an examiner and that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing may be held without further notice before the Commission on this application provided no protest or petition to intervene is filed within the time required herein. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure and (18 CFR 1.8 or 1.10) on or before September 21, 1964.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 64-9029; Filed, Sept. 4, 1964; 8:46 a.m.]

[Docket No. CP64–270 etc.]

TRANSCONTINENTAL GAS PIPE LINE CORP. ET AL.

Order Consolidating Applications, Prescribing Procedures, Designating Time Limitations, and Setting Date of Hearing

AUGUST 31, 1964.

Transcontinental Gas Pipe Line Corporation, Docket No. CP64–270; Georgia-Tennessee Gas Corporation, Docket No. CP64–272; Southern Natural Gas Company, Docket No. CP64–259 and CP64–314.

On May 8, 1964, Transcontinental Gas Pipe Line Corporation (Transco) filed an application in Docket No. CP64–270, as supplemented on June 29, 1964, seeking authorization to construct and operate (1) 103 miles of 30- and 36-inch pipeline loops in the States of Louisiana, Mississippi, and Alabama whereby its main line capacity would be increased by 80,149 Mcf per days and (2) approximately 60 miles of a new 20-inch main line extension in the State of Georgia along with four sales meter and regulating stations on said extension. The total estimated cost of $20,100,000 will be financed initially through short-term bank loans, with long-term financing being accomplished as part of Transco's 1965 major financing program.

Transco proposes to utilize the above facilities so as to sell a total additional volume of 40,000 Mcf per day of natural gas to an existing customer, Atlanta Gas Light Company (Atlanta Gas), along with a total volume of 24,750 Mcf per day to Georgia-Tennessee Gas Corporation (Georgia-Tennessee), a proposed new customer. Both sales are to be made under Transco's CD–1 Rate Schedule.

Transco's proposed main line extension will run from a point on Transco's main line near Monroe, Georgia, located midway between existing Compressor Stations Nos. 120 and 130, northwesterly for a distance of approximately 60 miles to a site known as "Sharp Top", located in the northwest corner of Cherokee County, Georgia. The additional deliveries to Atlanta Gas will be made at three new delivery points located on the extension with deliveries to Georgia-Tennessee being made at the terminus of the extension by Transco.

On May 8, 1964, Georgia-Tennessee filed an application in Docket No. CP64–272, seeking authorization to construct and operate a pipeline system consisting of approximately 72 miles of 12-inch pipe and appurtenant metering and regulating facilities and having a peak day capacity of 38,000 Mcf per day. Such facilities would extend from a point of interconnection with Transco's proposed 20-inch main line extension near "Sharp Top", Georgia to a point in the vicinity of Tyner, Tennessee. Georgia-Tennessee proposes to use these facilities in order to make sales of natural gas to Dalton Water, Light and Sinking Fund Commission in Dalton, Georgia, and to Intercoastal Gas Corporation for distribution by the latter in the Cities of Chatsworth and Fairmount, and the Town of Ranger, all in the State of Georgia. Additionally, Georgia-Tennessee proposes to make a direct sale to Farmers Chemical Association, Inc., for use as feed stock and reforming furnace fuel in the latter's chemical fertilizer plant in Tyner, Tennessee.

The estimated cost of the project is $3,045,693, which Georgia-Tennessee proposes to finance, initially, through the sale of common stock and through short-term bank loans. Long-term financing, consisting of first mortgage pipeline bonds, is expected to be accomplished after the facilities are in full operation.

On June 23, 1964, the Commission issued a notice of the application of Southern Natural Gas Company (Southern) in Docket No. CP64–259. In that application Southern proposes to install additional facilities so as to, among other things, make increased deliveries of natural gas to its existing customer Dalton Water, Light and Sinking Fund Commission (Dalton). Since Georgia-Tennessee is proposing, in its instant application, to make deliveries of gas to Dalton in order to meet increased requirements over those presently being met by Southern, Georgia-Tennessee filed a motion requesting consolidation of these respective applications for the purpose of having a comparative hearing. Take notice also that Southern, on August 5, 1964, filed a supplement to its application in Docket No. CP64–259.

On June 30, 1964, Southern filed an application in Docket No. CP64–314, as supplemented on July 2, 1964, seeking authorization to install, construct, and operate (1) 94,870 compressor horsepower at new and existing stations and (2) approximately 195 miles of various-sized new pipeline and pipeline loops and appurtenant facilities, all at an estimated cost of $28,377,920. The requested facilities will increase Southern's daily design delivery capacity by approximately 180,000 Mcf per day. Those facilities are more fully described in the application.

Southern proposes to utilize the facilities proposed in the instant application so as to make additional sales of 146,165 Mcf per day. Of this amount Southern has allocated 24,770 Mcf to Atlanta Gas, 5,000 Mcf to Dalton, and 29,000 Mcf to Chattanooga Gas Company. Of the 29,000 Mcf to be delivered to Chattanooga Gas Company, 20,000 Mcf is ear-marked for resale to Farmers Chemical Association, Inc. An alternative proposal advanced in the filing is Farmers Chemical by Southern, with the direct sale of 20,000 Mcf per day to the gas being transported for the latter's account by Chattanooga Gas. Additionally, Southern states that it is willing to supply the needs of Intercoastal Gas Corporation which needs Georgia-Tennessee is proposing to meet.

That the matters presented here are interrelated and should be heard on a consolidated record is obvious, and we shall so order. Furthermore, calling on our experience gained in other competitive proceedings, we shall set forth stringent requirements and procedures so as to prevent any present or future applicant consolidated herewith, from gaining an unfair advantage, and at the same time ensure a more orderly and expeditious proceeding.

This order shall constitute notice of the filing of the foregoing applications. Such applications are on file and open to public inspection.

The Commission orders:

(A) The applications in Docket Nos. CP64–270, CP64–272, CP64–259, and CP64–314 are hereby consolidated.

(B) Motions filed after September 14, 1964, seeking consolidation of other applications with the instant proceeding will be denied except in extraordinary circumstances and for good cause shown and where to do so would not disrupt or delay the orderly procedure herein being ordered or have a resultant prejudicial effect on one or more applicants consolidated by the instant order. However, in no event will we consolidate any application with the instant proceeding which is filed after September 14, 1964, and which seeks authority to serve some or all of the markets sought to be served by the instant applications or is otherwise competitive with said applications. In all other respects, § 157.11(a) of the Commission's regulations will be applicable to any such competitive applications filed after September 14, 1964.

(C) Any modification or supplement to any application herein consolidated or subsequently consolidated herewith, filed after September 18, 1964, will be rejected except where to do so would not disrupt or delay the orderly procedure herein being ordered or have a resultant prejudicial effect on one or more of the other applicants. Nothing contained in this ordering paragraph shall be deemed diminutive of the Presiding Examiner's or the Commission's authority contained in § 1.11(b) of the Commission's rules of practice and procedure.

(D) Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.10) on or before September 21, 1964.

(E) Applicants and all interveners in support of any of the instant applications will serve their direct presentations, to be relied upon at the hearing, by September 28, 1964, upon the Commission, the Commission's staff, all applicants herein, and upon all petitioners who have filed to intervene as of September 21, 1964, unless the Commission, by the time set for service of such testimony and exhibits, has issued an order denying certain petitioners' intervention.

(F) All applicants who may have filed a competitive application or who file a motion for consolidation of any application with the instant proceeding on or prior to September 14, 1964, are hereby required to serve their direct presentation as provided in Ordering paragraph (E) unless, by the time set for the service of testimony and exhibits, the Commission issues an order denying consolidation of any such applications.

(G) Similarly, all parties required to serve their testimony and exhibits under Ordering paragraph (E) will also serve by said date copies of such testimony and exhibits on any party falling within

the scope of Ordering paragraph (F) providing the latter request such testimony. Should the Commission, by September 28, 1964, refuse to consolidate any additional applications with the instant proceeding, the requests may be ignored. Should the Commission on the other hand grant consolidation, service of testimony upon said party or parties becomes mandatory and automatic.

(H) Pursuant to the authority conferred on the Federal Power Commission by the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held on October 19, 1964, at 10:00 a.m. e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., respecting the matters set forth in the instant order.

(I) Following all preliminary matters to come before the Presiding Examiner on the above-designated hearing date witnesses will be presented to adopt their respective testimony, previously served, whereupon cross-examination will commence immediately. Transcontinental and Georgia-Tennessee along with any supporting intervener's testimony will make the first presentation, to be followed by that of Southern and its supporting interveners, which in turn will be succeeded by the presentation of any other party whose application may have been consolidated subsequent to the issuance of the instant order.

(J) The Presiding Examiner, at a time deemed appropriate and in consideration of the magnitude of the respective presentations and the record that will have been made thereon, will, at his discretion, set a date for the filing of any answering testimony. In all other matters the Examiner's right to prescribe the manner in which the hearing is to be conducted is preserved.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 64-9030; Filed, Sept. 4, 1964; 8:46 a.m.]

[Docket No. CP65-6]

TRANSWESTERN PIPELINE CO.

Notice of Application

AUGUST 28, 1964.

Take notice that on July 6, 1964, as supplemented on July 15, 1964, Transwestern Pipeline Company (Applicant) filed in Docket No. CP65-6, an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of a 1,000 horsepower gas turbine compressor unit at its existing Keystone Station. Such facilities will not increase Applicant's mainline capacity. The total estimated cost of the proposed facilities is $221,000. Applicant states that no additional financing will be required for such costs.

Applicant states that the proposed facilities are required to enable it to balance its purchases of natural gas from the Keystone area and other areas in accordance with existing proration regulations and that the new compressor will also allow it to balance underproduction with overproduction of gas on an annual basis. Furthermore, during periods of peak demand Applicant will be able to make up deficiencies which might occur on its system when its other compression facilities are shut down for maintenance or are otherwise out of service.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that preliminary staff analysis has indicated that there are no problems which would warrant a recommendation that the Commission designate this application for formal hearing before an examiner and that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing may be held without further notice before the Commission on this application provided no protest or petition to intervene is filed within the time required herein. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before September 21, 1964.

JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 64-9031; Filed, Sept. 4, 1964; 8:46 a.m.]

INTERAGENCY TEXTILE ADMINISTRATIVE COMMITTEE

CERTAIN COTTON TEXTILES AND COTTON TEXTILE PRODUCTS PRODUCED OR MANUFACTURED IN KOREA

Levels of Restraint Regarding Entrance or Withdrawal From Warehouse

AUGUST 31, 1964.

The United States Government, in furtherance of the objectives of, and under the terms of, the Long Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, has informed the Government of Korea that, pending the conclusion of discussions between the United States and the Republic of Korea on trade in cotton textiles, it is renewing for an additional twleve-month period the arrangements in effect between the two governments on the exports of cotton textiles and cotton textile products to the United States in Categories 46, 60, and 63 (T.S.U.S.A. Nos. 380.3990 and 382.3390 only), produced or manufactured in Korea.

There is published below a letter of August 27, 1964, from the Chairman, President's Cabinet Textile Advisory Committee, to the Commissioner of Customs, directing that the amounts in Categories 46, 60, and 63 (T.S.U.S.A. Nos. 380.3990 and 382.3390 only), of cotton textiles and cotton textile products produced or manufactured in Korea which may be entered, or withdrawn from warehouse, for consumption in the United States from August 30, 1964, through August 29, 1965, be limited to certain designated levels.

JAMES S. LOVE, Jr.,
Chairman, Interagency Textile Administrative Committee, and Deputy to the Secretary of Commerce for Textile Programs.

THE SECRETARY OF COMMERCE

PRESIDENT'S CABINET TEXTILE ADVISORY COMMITTEE

Washington 25, D.C.
AUGUST 27, 1964.

COMMISSIONER OF CUSTOMS,
DEPARTMENT OF THE TREASURY,
Washington, D.C.

DEAR MR. COMMISSIONER: Under the terms of the Long Term Arrangement Regarding International Trade done at Geneva on February 9, 1962, and in accordance with the procedures outlined in Executive Order 11052 of September 28, 1962, you are directed to prohibit, effective August 30, 1964, and for the period extending through August 29, 1965, entry into the United States for consumption, and withdrawal from warehouse for consumption, of cotton textiles and cotton textile products in Categories 46, 60, and 63 (T.S.U.S.A. Nos. 380.3990 and 382.3390 only), produced or manufactured in Korea, in excess of the following levels of restraint:

Category	*12-month level of restraint*
46	4,000 Dozen.
60	3,150 Dozen.
63 (T.S.U.S.A. Nos. 380.3990 and 382.3390 only).	15,750 Pounds.

A detailed description of the categories in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on October 1, 1963 (28 F.R. 10551), and amendments thereto on March 24, 1964 (29 F.R. 3679).

In carrying out this directive, entries of cotton textiles and cotton textile products in Categories 46, 60, and 63 (T.S.U.S.A. Nos. 380.3990 and 382.3390 only), produced or manufactured in Korea, which have been exported to the United States from Korea prior to August 30, 1964, shall, to the extent of any unfilled balances, be charged against the levels of restraint established for such goods during the period August 30, 1963, through August 29, 1964. In the event that the levels of restraint established for the period August 30, 1963, through August 29, 1964, have been exhausted by previous entries, such goods shall be subject to the directives set forth in this letter.

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of Korea and with respect to imports of Korean cotton textiles and cotton textile products have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of Section 4 of the Administrative Procedure Act.

This letter is being published in the FEDERAL REGISTER.

Sincerely yours,

JACK N. BEHRMAN,
Acting Secretary of Commerce, and Acting Chairman, President's Cabinet Textile Advisory Committee.

[F.R. Doc. 64-9040; Filed, Sept. 4, 1964; 8:47 a.m.]

CERTAIN COTTON TEXTILE PRODUCTS PRODUCED OR MANUFACTURED IN POLAND

Levels of Restraint Regarding Entrance or Withdrawal From Warehouse

AUGUST 31, 1964.

The United States Government, in furtherance of the objective of, and under the terms of, the Long Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, including Article 6 relating to non-participants, has informed the Government of Poland that, pending consultations between Poland and the United States regarding trade in cotton textiles, it was renewing for an additional twelve-month period, through August 29, 1965, the arrangements in effect between the two governments on the export of cotton textile products in Category 35 produced or manufactured in Poland.

There is published below a letter of August 26, 1964, from the Chairman, President's Cabinet Textile Advisory Committee, to the Commissioner of Customs, directing that the amount in Category 35 of cotton textile products produced or manufacutred in Poland which may be entered, or withdrawn from warehouse, for consumption in the United States from August 30, 1964, through August 29, 1965, be limited to 75,600 units.

JAMES S. LOVE, JR.,
Chairman, Interagency Textile Administrative Committee, and Deputy to the Secretary of Commerce for Textile Programs.

THE SECRETARY OF COMMERCE

PRESIDENT'S CABINET TEXTILE ADVISORY COMMITTEE

Washington 25, D.C.
AUGUST 26, 1964.

COMMISSIONER OF CUSTOMS,
DEPARTMENT OF THE TREASURY,
Washington, D.C.

DEAR MR. COMMISSIONER: Under the terms of the Long Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, including Article 6 relating to non-participants, and in accordance with the procedures outlined in Executive Order 11052 of September 28, 1962, you are directed to prohibit, effective August 30, 1964, and for the twelve-month period extending through August 29, 1965, entry into the United States for consumption and withdrawal from warehouse for consumption, of cotton textile products in Category 35 produced or manufactured in Poland, in excess of the following level of restraint:

Category	*12-month level of restraint*
35	75,600 units

In carrying out this directive, entries of cotton textile products in Category 35, produced or manufactured in Poland, which have been exported to the United States from Poland prior to August 30, 1964, shall to the extent of any unfilled balance, be charged against the level of restraint established for such goods during the period August 30, 1963, through August 29, 1964. In the event that this level has been exhausted by previous entries, such goods shall be charged against the level established under the present directive.

A detailed description of the listed category in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on October 1, 1963 (28 F.R. 10551).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of Poland and with respect to imports of cotton textile products from Poland have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of Section 4 of the Administrative Procedure Act. This letter will be published in the FEDERAL REGISTER.

Sincerely yours,

JACK N. BEHRMAN,
Acting Secretary of Commerce, and Acting Chairman, President's Cabinet Textile Advisory Committee.

[F.R. Doc. 64-9041; Filed, Sept. 4, 1964; 8:47 a.m.]

COTTON TEXTILES IN CATEGORY 1 PRODUCED OR MANUFACTURED IN ARGENTINA

Levels of Restraint Regarding Entrance or Withdrawal From Warehouse

AUGUST 31, 1964.

The United States Government, in furtherance of the objectives of, and under the terms of, the Long Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, has informed the Government of Argentina that it intends to renew the restraint on imports of cotton textiles to the United States in Category 1 produced or manufactured in Argentina, during the twelve-month period beginning September 3, 1964.

There is published below a letter of August 26, 1964, from the Chairman, President's Cabinet Textile Advisory Committee to the Commissioner of Customs, directing that the amount of cotton textiles in Category 1, produced or manufactured in Argentina which may be entered or withdrawn from warehouse for consumption in the United States from September 3, 1964, through September 2, 1965, be limited to 420,000 pounds.

JAMES S. LOVE, Jr.,
Chairman, Interagency Textile Administrative Committee, and Deputy to the Secretary of Commerce for Textile Programs.

THE SECRETARY OF COMMERCE

PRESIDENT'S CABINET TEXTILE ADVISORY COMMITTEE

Washington 25, D.C.
AUGUST 26, 1964.

COMMISSIONER OF CUSTOMS,
DEPARTMENT OF THE TREASURY,
Washington, D.C.

DEAR MR. COMMISSIONER: Under the terms of the Long Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, and in accordance with the procedures outlined in Executive Order 11052 of September 28, 1962, you are directed to prohibit, effective September 3, 1964, and for the period extending through September 2, 1965, entry into the United States for consumption, and withdrawal from warehouse for consumption, of cotton textiles in Category 1, produced or manufactured in Argentina, in excess of the following level of restraint:

Category	*Level of restraint*
1	420,000 pounds

In carrying out this directive, entries of cotton textiles in Category 1, produced or manufactured in Argentina, which have been exported to the United States from Argentina prior to September 3, 1964, shall, to the extent of any unfilled balance, be charged against the level of restraint established for such goods during the period September 3, 1963, through September 2, 1964. In the event that the level of restraint established for the period September 3, 1963, through September 2, 1964, has been exhausted by previous entries, such goods shall be subject to the directives set forth in this letter.

A detailed description of Category 1 in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on October 1, 1963 (28 F.R. 10551).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of Argentina and with respect to imports of cotton textiles and cotton textile products from Argentina have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of Section 4 of the Administrative Procedure Act. This letter will be published in the FEDERAL REGISTER.

Sincerely yours,

JACK N. BEHRMAN,
Acting Secretary of Commerce, and Acting Chairman, President's Cabinet Textile Advisory Committee.

[F.R. Doc. 64-9039; Filed, Sept. 4, 1964; 8:47 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 812-1704]

STATE STREET INVESTMENT CORP.

Notice of Filing of Application

SEPTEMBER 1, 1964.

Notice is hereby given that State Street Investment Corporation ("State Street"), 140 Federal Street, Boston, Massachusetts, a registered open-end investment company, has filed an application pur-

suant to section 6(c) of the Investment Company Act of 1940 ("Act") for an order of the Commission exempting from the provisions of section 22(d) of the Act the proposed issuance of its shares at net asset value in exchange for the assets of Beech Corporation ("Beech"). All interested persons are referred to the application as filed with the Commission for a complete statement of the representations therein, which are summarized below.

State Street, a Massachusetts corporation, is not currently issuing its shares on a continuous basis. As of June 25, 1964, the net assets of State Street amounted to $248,124,179.

Beech was incorporated in the State of Delaware on November 17, 1938 and has operated since that time as a private investment company, trading in stocks and bonds. At the present time Beech has fourteen stockholders and is exempt from registration under the Act by reason of the provisions of section 3(c)(1) thereof.

Pursuant to an agreement between State Street and Beech, substantially all the cash and securities of Beech with a value of approximately $34,390,489 as of June 25, 1964 will be transferred to State Street in exchange for shares of State Street. The shares of State Street acquired by Beech will be distributed to its shareholders on the liquidation of Beech. The Agreement and Plan of Reorganization provides that the stockholders of Beech will take these shares for investment and will execute letters to that effect. The net asset value of State Street shares to be issued will equal the market value of the Beech assets acquired, adjusted, as set forth below.

Since the exchange will be tax free for Beech and its stockholders, State Street's cost basis for tax purposes for the assets acquired from Beech will be the same as for Beech, rather than the price actually paid by State Street for the assets. Of the assets to be acquired from Beech, State Street intends to retain in its portfolio, subject to changes in investment conditions and considerations, securities having a market value, as of June 25, 1964, of $31,620,778, including unrealized appreciation of $14,963,620. The market value of those securities of Beech which State Street intends to sell after the acquisition thereof amounted to $2,513,439, including unrealized appreciation of $84,463 on June 25, 1964. The unrealized appreciation on securities owned by State Street on June 25, 1964 amounted to $94,553,784 and realized gains on securities sold amounted to $5,786,373, of which $13,331,554 and $704,375, respectively, would have become applicable to the shares of State Street issued to Beech if the proposed acquisition of Beech's assets had occurred on this date.

Because State Street may acquire securities from Beech at a tax cost basis less than the actual price paid therefor, the sale after acquisition may result in a capital gain thereon to the present shareholders of State Street. An adjustment, which takes into account the possible tax consequences of the exchange, is to be made in the value of the Beech assets to be acquired by State Street in accordance with the following formula:

(1) In respect of the securities of Beech which State Street presently intends to sell, there will be determined the difference between the net unrealized taxable capital gain on those securities of Beech and the portion of the realized but undistributed taxable long-term capital gain, if any, of State Street allocable to the aggregate shares which State Street is issuing to Beech. Such difference, as of June 25, 1964, amounted to a negative amount of $619,912.

(2) In respect of the securities of Beech which State Street presently intends to hold following acquisition, there shall be determined the difference between the net unrealized taxable capital gain on said securities and the portion of State Street's unrealized taxable capital gain, if any, allocable to the aggregate shares of State Street to be issued to Beech determined on a pro forma basis giving effect to the acquisition of the assets of Beech. Such difference, as of June 25, 1964, amounted to $1,632,066.

(3) The amount computed under (1) shall be increased by the amount, if positive, or decreased by 50 percent of the amount, if negative, computed under (2), and 10 percent of the resulting amount ($1,012,154 as of June 25, 1964), which is the adjustment for excess unrealized appreciation of Beech, shall be applied to reduce the value of the assets of Beech to be acquired. If the valuation under the agreement had taken place on June 25, 1964, the adjustment to the market value of the assets of Beech to be acquired would have amounted to $101,215.

The application states that no affiliation exists between Beech or its officers, directors or stockholders and State Street, and that the agreement was negotiated at arm's length by the officers of both corporations. It further states that the proposed transaction will be beneficial to State Street because it represents an opportunity to acquire approximately $34,390,489 of additional assets (market value as of June 25, 1964) in a single transaction without the expense inherent in a sales program and offering of shares to the public. It will also benefit present shareholders of State Street in that the increase in the assets of State Street resulting therefrom will operate to reduce expenses in relation to the net asset value per share of State Street stock due to the terms of its investment advisory contract.

Section 22(d) of the Act provides, in pertinent part, that no registered investment company shall sell any redeemable security issued by it to any person except at the current offering price described in the prospectus, with certain exceptions not applicable here. Because State Street does not now have an effective prospectus which describes a current offering price for its shares, the proposed transaction outlined above would be prohibited by said section 22(d) unless the Commission issues an order of exemption.

Section 6(c) of the Act authorizes the Commission by order upon application to exempt, conditionally or unconditionally, any transaction from any provision of the Act or of any rule or regulation thereunder, if and to the extent that the Commission finds that such exemption is necessary or appropriate in the public interest and consistent with the provisions of the Act.

Notice is further given that any person may, not later than September 21, 1964, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney-at-law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the showing contained in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 64-9046; Filed, Sept. 4, 1964; 8:47 a.m.]

SMALL BUSINESS ADMINISTRATION

[License No. 10-0064]

GULF-SOUTHWEST CAPITAL CORP.

Order To Show Cause

The following order to show cause has been served on the above-named licensee:

I. Pursuant to Section 309(c) of the Small Business Investment Act of 1958, as amended (15 U.S.C. sec. 661 et seq.) and § 109.4 of the Regulations promulgated thereunder (13 CFR Part 109), the Licensee is hereby ordered to show cause, if any it has, why a cease and desist order or any other order the Administration determines to be necessary to insure compliance with the Act or Regulations should not be issued.

II. 1. Licensee was duly licensed as a small business investment company under the Act on July 26, 1961, and said license is still in full force and effect. As a licensed small business investment company, Licensee is subject to the Act which is administered by the Small Business Administration and is subject to the Regulations promulgated under the Act by the Small Business Administration.

2. In Section 102 of the Act, the policy of Congress is declared to be

"* * * to improve and stimulate the national economy in general and the small-business segment thereof in particular by establishing a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small-business concerns need for the sound financing of their business operations and for their growth, expansion, and modernization, and which are not available in adequate supply * * *."

Section 301(a) of the Act permits Licensees to perform only the functions and conduct only the activities contemplated under the Act. The activities and functions of small business investment companies here relevant are set forth in Section 304 of the Act (providing equity capital for small business concerns), Section 305 of the Act (providing long-term loans to small business concerns), and Section 308 of the Act (providing advisory services and for the investment of funds not reasonably needed for current operations).

3. Section 107.701 of the Regulations provides as follows:

"A Licensee shall be subject to all existing and future provisions of the Act and regulations issued thereunder."

In its Articles of Incorporation, Licensee stated that it was "organized and chartered expressly for the purpose of operating under the Small Business Investment Act of 1958, as amended," and that all of its stated purposes and powers were subject to the provisions of the Small Business Investment Act of 1958, as amended, or as may be amended and in effect "at such time," and subject to the Regulations prescribed by the Small Business Administration under that Act or such Regulations as may be prescribed under the Act "and in effect at that time."

4. The bulk of Licensee's capital was raised by means of a public offering of its common stock which commenced on August 8, 1961. In the prospectus used by Licensee in connection with this public offering, Licensee informed the public of the particular advantages of the small business investment company program and further informed the public that it would operate within the Act and the Regulations.

III. 1. On May 22, 1964, the Licensee and Lincoln Liberty Life Insurance Company entered into an agreement, called "Purchase Agreement," which provides for the transfer of substantially all of the Licensee's assets to Lincoln in exchange for shares of Lincoln and the subsequent distribution by the Licensee of its assets, consisting mainly of Lincoln stock, and the dissolution of the Licensee pursuant to the terms of the Agreement. The Agreement further provides that, within 10 days after the stockholders of the Licensee and Lincoln have duly approved the Agreement, the Licensee will submit to the Small Business Administration an application to surrender its license, accompanied by the Agreement and a plan of dissolution. The Agreement further states, as a condition to the obligation of the Licensee under the Agreement, that the Licensee shall obtain approval by the Small Business Administration of its application to surrender its license and plan of dissolution By the terms of the Agreement, compliance with this latter condition may be waived by the Licensee. The Board of Directors of the Licensee has approved the Agreement.

2. By letter dated May 25, 1964, Licensee informed this Administration of the general substance of the transaction and requested this Administration to withhold comments until the full details of the plan had been presented to it. No request pursuant to § 107.205 of the Regulations has been made to the Administration by Licensee or any other person connected with such transaction.

3. On May 28, 1964, Licensee was requested, by telephone, to submit to the Administration its plan of liquidation, dissolution and surrender as required by the Regulations. Licensee was also requested to submit certain supporting documents. No request pursuant to § 107.205 of the Regulations has been made to the Administration by Licensee or any other person connected with such transaction.

4. On June 10, 1964, Licensee filed preliminary proxy material with the Securities and Exchange Commission, which material contained details of the transaction. Upon learning of the contents of that material, this Administration informed the Licensee, by letter dated June 17, 1964, that the plan as outlined violates the provisions of the Regulations and, accordingly, approval of it could not be expected.

5. In amended preliminary proxy material filed with the Securities and Exchange Commission on July 6, 1964, Licensee stated that it was Licensee's present intention to waive the condition of the Agreement which required SBA approval of the surrender of its license; and that Lincoln had advised the Licensee that Lincoln's present intention was to consummate the transaction without SBA approval.

6. Material soliciting proxies for an annual shareholders' meeting to be held in Houston, Texas, on September 11, 1964, was disseminated to Licensee's shareholders on July 27, 1964. The proxy statement described the terms of the transaction and disclosed the position of this Administration with respect to the transaction. The proxy statement also set forth the administrative and judicial actions which the Administration was authorized by law to institute. The proxy statement contained the following statement:

"If the Purchase Agreement has been approved by the required vote of the shareholders of Gulf-Southwest and Lincoln Liberty, Gulf-Southwest's present intention is to waive the condition under the Purchase Agreement that the SBA shall have approved the surrender of its license and consummate the transactions without SBA approval, notwithstanding the SBA's view that such transactions are prohibited by law. Lincoln Liberty has advised Gulf-Southwest that Lincoln Liberty will consider consummating the transactions under the Purchase Agreement without SBA approval."

The Licensee requested that each shareholder execute a proxy authorizing the persons named therein to vote for or against the transaction. The proxy stated that the Board of Directors favored an affirmative vote and that, in the absence of specification by shareholders, the proxy would be voted for the transaction.

7. On or about August 19, 1964, Licensee advised the Administration that it would not delay the annual meeting of shareholders set for September 11, 1964.

8. The facts set forth in subparagraphs 1 through 7 above constitute a present violation of the Act and Regulations and an intent on the part of the Licensee to pursue a course of conduct in derogation of the Act and Regulations and the advice of this Administration.

IV. 1. Section 107.205, as supplemented by interpretive § 107.1009, of the Regulations prescribes the criteria and the procedures governing a small business investment company which proposes to discontinue operations under the Act and Regulations. The activities of the Licensee as set forth in paragraph III hereof constitute a continuing course of conduct which has not complied with the provisions of § 107.205 of the Regulations, in that the procedures set forth in the said section have not been complied with and the transaction as set forth in subparagraph III1. above does not meet the criteria prescribed in the said section. In addition, the transactions as set forth in subparagraph III1. above are not within the category of the activities permitted by § 107.704(f) of the Regulations nor are they eligible for SBA approval under § 107.704(g) of the Regulations.

2. The course of conduct undertaken by the Licensee as set forth in paragraph III hereof totally disregarded the intent and purposes of the Act and included a failure on the part of the Licensee to observe or comply with applicable provisions of the Act and Regulations, to wit:

A. Licensee's investment in and ownership of the stock of Lincoln constitutes an investment in a corporation which is not an eligible small business concern within the meaning of §§ 107.12 and 121.3–11 of the Regulations. This investment does not comply with Sections 301(a) and 304(a) of the Act and §§ 107.704(a), 107.715(a), and 107.715(b) of the Regulations, and is not within the other investments permitted by Section 308(b) of the Act and § 107.710 of the Regulations.

B. Licensee's investment in and ownership of the stock of Lincoln constitutes an investment of more than 20 per centum of its combined capital and surplus in a single enterprise and does not comply with Section 306 of the Act and § 107.708 of the Regulations.

C. Licensee's investment in and ownership of the stock of Lincoln, representing a concentration of substantially all of Licensee's assets in one industry, constitutes a substantial change of Licensee's investment policy and other plans previously submitted in its Proposal to SBA without prior SBA written approval as required by § 107.704(c)(4).

D. Licensee's distribution of assets to its shareholders constitutes a reduction of its paid-in capital and paid-in surplus in excess of one-third thereof prior to August 1, 1966, and does not comply with § 107.704(c)(1).

E. Licensee's course of conduct looking towards dissolution and surrender of its license constitutes a substantial change of its investment policy and other plans previously submitted in its Proposal to SBA without prior SBA written approval as required by § 107.704(c)(4).

V. Accordingly, the Licensee is hereby ordered to show cause, if any it has, why an order requiring it to cease and desist from pursuing the course of conduct herein set forth in violation of the Act and Regulations, or any other order the Administration determines to be necessary to insure compliance with the Act and Regulations, should not be issued.

A hearing for this purpose will be held at the offices of the Small Business Administration, 811 Vermont Avenue NW., Washington, D.C., 20416, in Room 442, at 10:00 a.m., on October 6, 1964.

Dated: August 27, 1964.

EUGENE P. FOLEY,
Administrator.
ROSS D. DAVIS,
Executive Administrator.

Dated: September 1, 1964.

EUGENE P. FOLEY,
Administrator.

[F.R. Doc. 64-9049; Filed, Sept. 4, 1964; 8:48 a.m.]

[Declaration of Disaster Area 480]

WISCONSIN

Declaration of Disaster Area

Whereas, it has been reported that during the month of August 1964, because of the effects of certain disasters, damage resulted to residences and busi-

ness property located in Ozaukee County, in the State of Wisconsin;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the area affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such area constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Executive Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the Offices below indicated from persons or firms whose property, situated in the aforesaid County and areas adjacent thereto, suffered damage or destruction resulting from tornado and high winds and accompanying conditions occurring on or about August 22 and 23, 1964.

OFFICES

Small Business Administration Regional Office, 219 South Dearborn Street, Chicago, Ill., 60604.

Small Business Administration Branch Office, 114 North Carroll Street, Madison, Wis.

A temporary office will be established in Port Washington, Wisconsin, address to be announced locally.

3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to February 28, 1965.

Dated: August 25, 1964.

ROSS D. DAVIS,
Executive Administrator.

[F.R. Doc. 64-9011; Filed, Sept. 4, 1964; 8:45 a.m.]

[Declaration of Disaster Area 461; Amdt. 1]

ALASKA, ET AL.

Declaration of Disaster Area; Amendment

Declaration of Disaster 461, dated March 27, 1964, 29 F.R. 5053, for the States of Alaska, California, Hawaii, Oregon, and Washington, is hereby amended by deleting the third numbered paragraph in its entirety and substituting the following paragraphs numbered 3 and 4 in lieu thereof:

3. Applications for disaster loans under the authority of this Declaration in the States of California, Hawaii, Oregon, and Washington will not be accepted subsequent to September 30, 1964.

4. Applications for disaster loans under the authority of this Declaration for the State of Alaska will not be accepted subsequent to October 31, 1965.

Dated: August 24, 1964.

ROSS D. DAVIS,
Executive Administrator.

[F.R. Doc. 64-9012; Filed, Sept. 4, 1964; 8:45 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 1040]

MOTOR CARRIER TRANSFER PROCEEDINGS

SEPTEMBER 2, 1964.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 66901. By order of August 31, 1964, the Transfer Board approved the transfer to Chapin Motor Freight Lines, Inc., Malone, N.Y., applicant in No. MC 98036 Sub 2, BOR-99 filed in the name of Laurence R. Chapin, doing business as Chapin and Co., Malone, N.Y., for certificate of registration to operate in interstate or foreign commerce authorizing operations under the former second proviso of section 206(a)(1) of the Act, supported by New York certificate of public convenience and necessity No. 2765 as amended May 15, 1956, authorizing transportation to, from and between various specified points and counties in New York State. John J. Brady, Jr., 75 State Street, Albany 7, N.Y., attorney for applicants.

No. MC-FC 66971. By order of August 31, 1964, the Transfer Board approved the transfer to Dexter's Delivery, Inc., Amsterdam, N.Y., applicant in No. MC 121216 Sub 1, BOR-99 filed in the name of Arthur H. Dexter, Amsterdam, N.Y., for certificate of registration to operate in interstate or foreign commerce authorizing operations under the former second proviso of section 206(a)(1) of the Act, supported by New York certificate of public convenience and necessity No. 2325, authorizing transportation between all points in Montgomery County, on the one hand, and, on the other, all points in 8 specified counties in New York State. John J. Brady, Jr., 75 State Street, Albany 7, N.Y., attorney for applicants.

No. MC-FC 66985. By order of August 31, 1964, the Transfer Board approved the transfer to Richard G. Maher, Norfolk, Va., applicant in No. MC 120653 Sub 2, BOR-99 filed in the name of Jenkins Transfer, Inc., Richmond, Va., for certificate of registration to operate in interstate or foreign commerce authorizing operations under the former second proviso of Section 206(a)(1) of the Act, supported by Virginia certificate No. HG-248, authorizing transportation of household goods between all points in Virginia. Jno. C. Goddin, 10 South 10th Street, Richmond 19, Va., attorney for applicants.

No. MC-FC 67033. By order of August 31, 1964, the Transfer Board approved the transfer to A. B. & A. Truck Lines, Inc., North Harney Street, Camilla, Ga., of certificate in No. MC 119566 Sub 1, issued February 12, 1963, to W. H. Bozeman, Alma Bozeman, and Azaolene Bozeman, doing business as A. B. & A. Truck Line, North Harney Street, Camilla, Ga., authorizing the transportation of: Poles and posts, between points in Georgia, Florida, Tennessee, Kentucky, South Carolina, North Carolina, and those specified in Alabama; and rough lumber, between points in Georgia and those specified in Alabama, between points in Florida and those specified in Alabama, and between points in Florida and Valdosta, Macon, Camilla, East Point, Brunswick, and Savannah, Ga.

No. MC-FC 67117. By order of August 28, 1964, the Transfer Board approved the transfer to Laughlin Tours, Inc., Los Angeles, Calif., of License No. MC 12625 issued April 12, 1956, to William J. Laughlin and A. H. Thompson, Jr., a partnership, doing business as Laughlin Tours, Los Angeles, Calif., authorizing the brokerage operations in connection with passengers and their baggage, between all points in the United States, restricted to passengers who are members of, and traveling on, all expense round trip tours, organized by the above-named broker and which tours commence by railroad at points in California and end by railroad at points in California. S. Harrison Kahn, Suite 733, Investment Building, Washington 5, D.C., attorney for applicants.

[SEAL] HAROLD D. McCOY,
Secretary.

[F.R. Doc. 64-9038; Filed, Sept. 4, 1964; 8:47 a.m.]

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